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5 JUNE 1987



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#### SPECIAL NOTICE

Effective 1 June 1987 JPRS reports will have a new cover design and color, and some reports will have a different title and format. Some of the color changes may be implemented earlier if existing supplies of stock are depleted.

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## LATIN AMERICA

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INTER-AMERICAN AFFAIRS

ARGENTINE-BOLIVIAN GAS NEGOTIATIONS LINKED TO BILATERAL DEBT

La Paz EL DIARIO in Spanish 20 Mar 87 p 1

[Text] Minister of Finance Juan Cariaga said that in the coming negotiations with the government of the Argentine Republic, three basic aspects--gas, the bilateral debt and everything pertaining to foreign trade--will be taken up. Moreover, he said that these negotiations are of the greatest importance to the country during the present administration.

He said that the negotiations on the sale of gas are particularly important, because not only will they provide an important flow of resources to the Bolivian Government Oil Deposits (YPFB), but also, through the royalties paid to the general treasury of the nation, they will provide support for state income. Therefore any variation in the prices or the volume of gas could affect the future of the YPFB, as well as the expenditures of the general treasury of the nation, substantially, and therefore would mean a redrafting of the budget.

He added that for this reason, the National Stabilization Council is analyzing the strategy and the position to be adopted in the negotiations with Argentina. These negotiations are to begin on the subsecretarial level at the end of this month, and they will conclude with the participation of the foreign minister and the ministers in the economic sector during this coming April.

With regard to the 10 percent reduction in the price of gas shown in the general budget of the nation, he explained that this presumes that the same volume will be maintained.

Debt

When asked about the Argentine government decision to postpone payment on its bilateral debt, Minister Cariaga said that where Bolivia, which is dependent on foreign resources and is likely to continue to be dependent for many years, is concerned, our country will continue to meet its commitment to the Club of Paris, because we need not only multilateral credit, but bilateral credit as well.

Given this circumstance, he added, Bolivia will continue to make payments on its foreign debt, because the resources to be received from the bilateral bodies will exceed the cost of the debt service which will be paid to these institutions. In other words, Bolivia will have a positive transfer of the resources which are absolutely necessary for its reactivation, growth and development.

He noted that the domestic savings in the country are very limited and are inadequate to meet investment needs.

He explained that this is not the case with the national banks, because the private international banks have not shown willingness to provide the country with resources, and therefore negotiations are being sought with them to allow us to get out from under the "sword of Damocles" represented by the capital debt which totals \$680 million, but does not affect the national interests.

Finally, concerning the negotiations with Argentina and Brazil, Minister Cariaga said that he does not believe that the administration or the provisions of the commitment made in July of last year will be threatened.

#### Clarification

The minister of finance said that he wanted to provide a clarification to the effect that the stability of the country's economy is absolutely guaranteed by the gross reserve level, which as of 13 August was at \$490 million, and the net reserve level, which was at \$253 million.

He explained that the level of net reserves is more than 50 percent above the level of currency issues, which are at the level of 3,303,000 bolivianos, showing that there is no danger that the monetary status might be altered substantially, since our country has sufficient reserves for any eventuality.

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CSO:3348/264

INTER-AMERICAN AFFAIRS

ARGENTINE, BOLIVIAN PRESIDENTS TO MEET IN JUNE

La Paz EL DIARIO in Spanish 20 Mar 87 p 1

[Text] Bolivian President Victor Paz Estenssoro and Argentine President Raul Alfonsin will meet this coming June for the purpose of raising bilateral relations to an exceptional level, Guillermo Bedregal, foreign minister of the republic, has announced.

According to the information provided, the government is interested in a meeting of the presidents which might give dynamism to the concept of integration, in the belief that there are potential elements in Bolivia and Argentina which might be utilized to this end.

President Paz Estenssoro has shown great willingness to talk with his colleague and to find new forms of action for bilateral relations within a range which might be favorable.

The foreign minister believes that Bolivia has wasted time for more than 40 years to date, because it has been unable to exploit the existing factors to deepen bilateral relations.

Thus far, the foreign ministries in both nations have been seeking to cooperate in establishing a date which fits in with the activities of both chief executives in their respective nations. We have learned that since the date has not been established, it has not been possible to determine where the meeting will be held either.

Negotiations

The foreign minister said that the National Stabilization Council, which met with the president of the republic, discussed the subject of negotiations with Argentina on the sale of our gas.

He explained that it has not been possible to draft a specific strategy, but that the government was making an effort to do so in order to negotiate under the best conditions at the end of this month when the representatives of the two nations meet.

The president ordered that a commission made up of representatives of the Foreign Ministry and the Ministries of Planning and Coordination and Energy and Hydrocarbons draft a document for approval next Tuesday, when a second meeting will be held.

However, the foreign minister said that what is intended is to expand the field of commercial dealings and aid, with the possibility that Bolivia may participate in the agreements signed by Argentina with Brazil and Uruguay. "We have potential links which go beyond the dispute over the price of gas," he said, adding that there are integration factors which must be taken into account.

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LATIN AMERICAN NATIONS SCORE GPS PRACTICES

La Paz PRESENCIA in Spanish 30 Mar 87 p 3

[Text] The practice of excluding certain products exported by the developing countries and certain governments being pursued by the developed nations has led to a forceful condemnation by 11 Latin American nations which participated in the recent Regional Seminar on the General Preferential Treatment System.

This seminar has been under way in La Paz for the past 7 days, and it ended its work with a 14-point document on the complex of problems in the international export trade, the application of the general preferential treatment system, and the trade laws in effect in the nations in the industrialized world.

The seminar was organized by the foreign ministry of our republic with the support of the UNCTAD and the USAID. Official delegations made up of government representatives from Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Paraguay, Peru, Uruguay and Venezuela participated.

The addresses were delivered by the representatives of the UNCTAD, USAID and the UNPD, as well as the United States, the EEC, Canada and Belgium.

The representative of the Bolivian government, Felipe Tredenick, said: "The general preferential treatment system is a distant light at the end of a very dark tunnel, which may be the solution all of us are zealously seeking in order to be able, among other things, to increase the use of this system as a tool where nontraditional exports to the markets of the developed countries are concerned.

Bolivia, which is a country without a maritime coast, has the right to free and unrestricted transit to and from the sea, and it is not subject to reciprocity. With UNCTAD Resolution No 2, the general preferential treatment system approved the principles of nonreciprocity, generality and nondiscrimination.

Conclusions

The seminar confirmed the importance of the general preferential treatment system as a tool for increasing the exports of the developing nations to the

markets of the developed countries, and demanded that the latter respect the principles of nonreciprocity, generality and nondiscrimination. It was recommended that the system be strengthened with a view to obtaining additional resources through exports which will contribute to sustained and diversified growth, as well as to meeting the foreign debt obligations themselves, and that the restrictive practices which have been introduced into the preferential schemes in recent years be eliminated.

The 11 participating nations expressed their concern about the reduction of the usable limits established for the various schemes, and they therefore recommended the urgent revision of those new measures which might affect the process of development in the Latin American countries.

They also contemplated an effort to bring about collective action in the GATT so that in the new round of multilateral trade negotiations, the current preferential margins will not be affected.

It was also urged that the system include collective treatment of the nations belonging to the Latin American integration association among the criteria for general application; that when the scheme makes no pertinent provision, the supplies imported from the countries granting preferential treatment be regarded as national; and, finally, that the percentage criterion be eliminated when there is an exchange of tariff items.

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SIGNS OF MILITARY CRISIS SAID IGNORED BY PRESIDENT'S MEN

Buenos Aires AMBITO FINANCIERO in Spanish 27 Apr 87 pp 13, 19

[Text] Near noontime, on Wednesday, 15 April, when Lt Col Aldo Rico and a small group of officers occupied the Campo de Mayo Intelligence Detachment (after a quick analysis, he would move his commando group to the Infantry School), the Army began experiencing a completely different situation. In the view of some, that phase had already started, having begun at the time of the Malvinas war: more precisely, on 29 May 1982 (the Argentine Army Day), when the forces under Brig Gen Omar Parada surrendered, after 48 hours of hard fighting, leaving over 200 soldiers on the Goose Green battlefield. At that time, Parada was in Puerto Argentino, and was directing his subordinates by telephone, ordering the officer in charge of the unit "not to surrender."

Lt Col Italo Piaggi reportedly answered him by saying: "We are fewer in number; I am going to surrender, and if you have any order to the contrary, come here and give it to me." Starting then (it might also have been on another occasion), the officers began talking about a horizontal split in the forces.

A variety of stories has fed that claim. It would also be said that the commando group members considered dismissing their chiefs to continue the resistance in Puerto Argentino. Unquestionably, one of the milestones most recalled among those who were in the islands occurred when they reached national territory, and no one was waiting for them; not even their commander in chief, Cristino Nicolaides. They felt that there was shameful attitude toward them.

As proof of the atmosphere that prevailed after Malvinas, should we not recall the scene of the fight which broke out between Captain Salaverry and the then personnel chief, General Podesta, when the young officer broke a chair over his superior's head because the latter refused to give him an explanation? (In spite of everything, the general was promoted.)

The military process culminated amid a great dispersement, with an amnesty law opposed by the entire political leadership. Nevertheless (in the view of those who would later be the ones to occupy the Infantry School), now with the Radicals in power, only a cosmetic change was made in the Army, not the thorough one which would have been required. With agreement from the Congress, the new generals were the ones who had held leading positions during the previous regime, in its different phases.

With the passage of years, the executive branch implemented various systems for dealing with the cases brought before the courts for human rights violations. It would appear certain that the government did not give Rios Erenu any stable means for finding a solution, an outlet, for a critical attitude that was becoming more noticeable every day among the military ranks. But, at the same time, that same government, with various specious arguments, also managed to discharge several generals on active duty, believing that, by so doing, it would ensure peace and quiet on the armed front.

One military observer commented: "When a general claimed that he was not in a position to turn over any subordinate to the courts (it was the former head of the Second Corps, Gorleri), the government put the thermometer in the freezer, and was unable to receive the message." He concluded by saying: "The Radicals engaged in banishing anyone who told the truth about what was going on in the forces." Meanwhile, the intermediate cadres were beginning to be summoned before the courts.

Nor was a complete evaluation achieved of the most dissimilar signals being sent by the internal military front to the civilian society: petitions, masses, farewells at the airports to the comrades who were traveling to appear in the federal chambers, street meetings, etc. As an entire response, Rios Erenu, or the Defense Ministry, only hit upon the notion of issuing denials to the press. One military source noted: "There were only a few who did not realize that the top-ranking generals had for some time been of no use any longer."

There were, roughly, three demands among the Campo de Mayo rebels (agreeing with what the entire Army was thinking): a "political" solution to the issue of the aftermath of the battle against subversion, because the decision to start it was also political; the withdrawal of the chief of staff, Hector Luis Rios Erenu (and the subsequent ouster of the generals); and a real military restructuring.

In July 1985, during a seminar, Gen (ret) Ricardo Flouret claimed that there was no defense policy. "The government has a clear view of what it does not want from the Armed Forces; on the other hand, it has much less decided what it wants to do with them," was one of his comments. That endeavor was harshly criticized, or distorted when it was partially accepted; always from the government party's private area, although Flouret was called upon by Alfonsin to join the Council for the Consolidation of Democracy.

Never was Flouret's comment so brashly recalled than during the time of the Holy Week crisis. While Horacio Jaunarena was attempting to establish a communications link with Lt Colonel Rico, the situation was being plagued with operators: Becerra, Nosiglia, Jaroslavsky, Grosso, Primatesta, Manzano, Suarez, Guelar, Moreau, and Melchor Posse, among others. There was even no lack of an offer to a high-ranking member of the Army to take over the Defense Ministry. Later, there were even discussions with Peronists.

The uselessness of the advisors was reflected in a comment made by one rebel officer: "What the military advisors could not achieve in 3 years, Alfonsin

procured in 10 minutes of direct conversation with us. We don't want soft generals, idle in their offices, enjoying easy government jobs; we are for a professional Army, with goals, integrated into the society and with a united viewpoint." This was one of the demands of the rebels.

On Sunday, Rico's troops, after the meeting with the chief executive, gave up their position. A few hours later, the appointment of Jose Caridi as Rios Erenu's replacement became known. On Tuesday, 21 April, there was another uprising, with features even more serious than reported by the executive branch. The naming of Fausto Gonzalez as deputy Army chief of staff (EMGE) has eased the situation, the main origin of which was based on the continuation in the forces of two generals inclined toward repression (although they achieved but little effect).

#### Retirements

Finally, the heads of the fifth and second corps, Enrique Bonifacino and Ernesto Alais must go into retirement. But several high-ranking officers who, during the crisis, were inclined toward putting down the rebel focal point at all costs (it is also doubtful that they would have found support) are still on active duty. Those most mentioned are : Roberto Dominguez, Juan Ramon Mabragana, Osvaldo Cordoba, and Oscar Salomon, who currently hold high positions in the Army. Could they impose the authority now that was lacking in them during the crisis? They may try to do so, perhaps at the cost of another crisis with unprecedented features. So it would appear that the government's scalpel did not cut as far as was required. One very high-ranking official at the Casa Rosada commented, "just when we had reached a good understanding with the fellows, with whom we don't want to spoil the new relationship" (attempting to explain Caridi's appointment).

2909

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SOLUTION TO MILITARY CRISIS CALLS FOR EXPEDIENCY, SAYS CARIDI

Buenos Aires AMBITO FINANCIERO in Spanish 30 Apr 87 p 14

[Text] At the conclusion of the first days of his administration, the brand-new Army chief of staff, Jose Dante Caridi, took some steps aimed at soothing spirits agitated by the Holy Week military crisis.

The replacements ordered on the unit chief level were minimal, five in all, and in all instances well received by the officers.

Caridi retained the same position of moderation concerning the list of approximately 60 units which refused to put down the uprising at the Infantry School.

In all cases, the corps commanders put on duty by Caridi (that is, Dominguez in the third, Mabragana in the second, Ferrucci in the fifth, and Abbate in Military Institutes) received precise instructions to give priority to internal cohesion and discipline.

It is known that Caridi made the commitment to his subordinates to interpret them faithfully, and that his absolute priority is the definitive solution to the problem of the trials.

Unrest

Nevertheless, and only a week after the crisis ended, a marked unrest was perceived again yesterday among the Army staff, caused by various situations.

Following a brief "impasse," the Buenos Aires and Bahia Blanca federal chambers continued their activities in the cases of the first and fifth corps, respectively.

The Comodoro Rivadavia chamber members followed the very same course of action and, based on what has been learned, the La Plata federal chamber will resume its subpoenas in the case of the Military Institutes Command on 8 May, and the Mendoza chamber will do the same in other pending cases 4 days later.

## Solution

The fact is that the Supreme Court has no authority to change the course of the processes (and the government has been informed of this), leaving the implementation of a legislative solution in the hands of the Congress.

The sensitivity and suspense among the military were heightened after the talks held at Campo de Mayo on the highest government level, and this may limit the period of time made available to Caridi.

Concretely, the Army chief reportedly confided to some friends that, if a solution is not attained within a period which would obviously not be very long, he might have the moral obligation to request his retirement.

The atmosphere present in the Army includes frequent comments on the need for "recovering institutional dignity," and some views of the officers have been expressed in writing during the past few days. This holds true of a working document which has circulated among the staff heads, containing observations on the force's situation.

Commenting on the appearance in courts of officers who obeyed orders, the text notes: "This will entail serious moral harm to the institution and its members, even though they may not be convicted, and to the rest of the cadres who, so as not to find themselves implicated in similar charges in the future, will inevitably proceed to check the propriety and pertinence of the orders that are issued to them."

It adds: "The subordination and obedience relationship will embark on a crisis, and the questioning of it will be unavoidable, under any circumstances"; noting that the Army's Internal Service Regulations stipulate that, "discipline must be inculcated in such a way that the superior provisions, and military laws, regulations, and orders are carried out without hesitation, and at the least impulse of the commander."

The document subsequently states: "There have not been individual combatants in the Argentine Army, bent on a factional or private war. During the war against Marxist-Leninist subversion, the military personnel carried out institutionally organized military and intelligence operations, in compliance with service orders. Therefore, the situation of the members of the force subjected to a judicial process does not constitute a personal or individual liability, but strictly an institutional liability, which must be fully assumed by the Army."

It goes on to say: "If it is not conducted in this way, there is a possibility that the lack of solidarity with the members of the Army subjected to a judicial process for having engaged in acts of war against subversion may bring about the moral disintegration of the institution."

2909

CSO: 3348/297

PERONIST LEGISLATOR PROPOSES MILITARY SALARY INCREASES

Buenos Aires AMBITO FINANCIERO in Spanish 30 Apr 87 p 15

[Text] The Peronist Renewal deputy, Carlos Grosso, called for a salary increase for the military, as part of a "budgetary revision" for the Armed Forces, which should "be included in the national productive system based on their specific function."

Grosso said that there should be a "progressive recovery" on the part of the community with respect to the armed institutions, because "those who made mistakes in the past and those who did not do so cannot be judged in the same way." He also commented on the meeting which leaders of the Peronist Renewal group held with the so-called "captains of industry," and depicted it as part of the intention of that political force "to resume sectorial contacts in order to make an assessment" of the Holy Week crisis.

He noted that, during the meeting, the business owners voiced the "firm ratification" of their "democratic desire to coexist within the republican institutions and their aim to achieve as soon as possible a social pact that will involve economic guidelines for the medium and long term."

Grosso explained that the Peronist Renewal members had reiterated to the businessmen the same position upheld toward the Radical movement, namely, that "the country's problems cannot be solved in parts, but rather with the political and social areas as a whole." And he claimed that the solution to the Holy Week crisis was not a result of President Raul Alfonsin's personality, nor of the Radical Party's capacity for mobilization; but was due, rather, to the participation of "the entire political and social spectrum, including the business-owning sector."

The deputy declared: "It is a matter of establishing a political and social democracy that will also have its correlation in the defense of the national economy." Stressing the issue of the Armed Forces, Grosso said that, "To the Radical Government, the military corps do not yet have a purpose and a functional role in the life of the country."

In this connection, he emphasized the fact that the country still lacks a "national defense law that would establish a military doctrine and a defense

profile that will allow for the development and heightening of the career-mindedness of those who pursue the military career." He also claimed that the lack of genuine hypotheses regarding conflicts is another factor that has contributed to the complication of the career-mindedness of the military.

#### Inclusion

The deputy called for a "budgetary revision" for the Armed Forces, and a resultant salary hike for the military that will help to include them in the national economy based on their specific function; and he remarked that the country has "three major groups, namely, the constitutional political one, the economic and social one, and the national defense one, with the related situation in the military areas."

He explained that the inclusion of the Armed Forces in the national economy means active participation in the production of weaponry by Military Manufacturers, in all matters pertaining to the manufacture of aeronautical equipment, and also in their contribution to the development of the Argentine nuclear plan, among other things. He stated in conclusion: "For many years, the Armed Forces have been pioneers in the national economic activity, and it is a matter of their becoming such again."

2909

CSO: 3348/297

DAILY UNDERSCORES MILITARY DISCIPLINE AS ONLY COURSE OF ACTION

Cordoba LA VOZ DEL INTERIOR in Spanish 26 Apr 87 p 8

[Editorial: "The Armed Forces on the Only Possible Route"]

[Text] Both Gen Jose Segundo Dante Caridi, upon assuming the Army chief of staff position, and the head of the Air Force, Brig Ernesto Horacio Crespo, during a ceremony at the Buenos Aires Government House, agreed that military discipline is the very heart of organization in the military institutions. The Army chief was emphatic in stating that this force will continue "giving testimony and consolidating the democratic system," while claiming that the military laws and regulations will be the track on which the members of the institution will travel. Brigadier Crespo, in turn, cited the principle of due obedience, remarking that, "If the subordinates are given the opportunity to dispute orders, there are no Armed Forces, but rather armed gangs." These statements, from both General Caridi and Brigadier Crespo, would appear to indicate some conclusions which are genuine corollaries of the military crisis, extending to the entire institutional system, that was experienced during the events of Holy Week.

The comments by the Army chief deserve the lofty status of a unifying summons concerning a structural idea that must be assimilated by all members of that force; because the incidents that occurred during the aforementioned crisis had alarming features at times, not only for the civilian citizenry, who saw in them the possibility of an attempt to interrupt the constitutional order (a logical result of Argentine institutional history during recent decades), but also for the military themselves, in private. The picture of the situation shown by the Army during the days of the incident led by over 100 officers at Campo de Mayo (preceded by some from the Third Army Corps in this city) sounded all the internal alarm systems. It is uncommon in institutions wherein devotion to discipline is part of their reason for existence to have something like "horizontal splits" occur, taking matters very close to the realm of anarchy. The votes taken among the officers and petty officers, according to press reports in the federal capital, in an intensely deliberative atmosphere, to decide what position should be adopted toward the rebellious comrades, speak clearly. Joint decision-making is something natural and desirable in a labor organization, in university circles, in short, among nearly all the forms of expression in republican life. To be sure, the elements of pressure

in those areas are very different. Debate, arguments, clarity, and political resources must ultimately be what will enlighten the group's decisions or statements. But this type of operation is totally inapplicable to the armed forces, which constitute the "last resort" of the political authorities. This claim about their being the armed branch of the citizenry is just a contrived phrase. There is no room for deliberations insofar as an armed force is concerned, because the society has given it precisely the opportunity to take up arms in order to be the executors, in the last analysis, of the decisions made by the political authorities to preserve the territorial integrity and everything related to the nation's sovereignty. All the decisions that they must enforce have already been democratically discussed by the rest of the citizens.

When the matter is viewed as indicated by the best traditions and the letter of the national Constitution itself, when it subjects the Armed Forces to the orders of the president of the nation, a military institution in which discipline is broken is beginning to experience danger. It runs the serious risk of fragmentation of authority (which, at the same time, is an authority delegated through a chain of command) and total loss of the rules of the game, with everything that this means for the military themselves and, obviously, for the country as a whole.

There should be no doubt that the military are as much citizens as anyone wearing the most civilian clothes. They have common concerns stemming from a difficult daily life in a country in a state of crisis, and others which have cropped up in our tragic current history. They also have ways, legal channels, for voicing all those concerns as citizens. Moreover, it must be realized that many of their current proposals may be as legitimate as those of the poorest Argentines. A penal process that lasts over 2 years without a conviction is as burdensome for a member of the military as it is for a civilian. The Act of San Jose, Costa Rica, includes that judicial slowness in the category of things that should not exist. It is normative, in that sense, and in our country it has for some time been a law of the nation. We are talking about what should exist, and what should not exist. Now then, in the realm of reality, that of real life, this occurs in different ways, all of which are related to the complaints of Prince Hamlet of Denmark, when he lamented at the slowness of justice. Not much has changed since then. The difficulties of a developing country, with lags, are observed everywhere, and they are suffered with greater anxiety, understandably, in the penal justice system, because of the juridical assets that are at stake. But, it must be remembered, this includes both civilians and military. So, this demand is obviously legitimate. On the other hand, the way in which the demand was made is not, and could not be by any means.

There is no place for naivete in Argentina at this time when truly harsh historical phases have been traversed. Among the rebel officers, there were unquestionably some who had cool heads and good sense suitable for surmounting the concerns (both the legitimate ones and those which could by no means be such) of the group of officers hiding out at the Infantry School or with the Third Army Corps' 14th regiment. They certainly knew that the break in

discipline, and a deliberative atmosphere in military institutions lead anywhere but to permanence in the constitutional order. The claim that the uprising was included among the purposes of the so-called "technical coup d'etat" unquestionably has some obvious grounds; whether or not this was the intention of the majority of those who led the demonstration which, as everyone knows, had tremors typical of a quake of this kind a few days later, materializing in a minor incident at the Salta and Tucuman garrisons. The noteworthy appeal from General Pedrazzini (chief of the Infantry School) to the young Army officers, not to let themselves be swayed by those who (he claimed) want to lead the institution and the country to chaos, indicates the freedom of action that the rebels had.

The solutions to some of the demands from the officers who chose this at least mistaken route are a concern of the government; not just now, but they have been for a long time. Now then, it must be realized that all this will have to be resolved based on the regulations, and that the institutions do not work miracles, nor do men. To balance interests among the members of a social body, there is the law, to which all of us give something, by way of submission. This is the only possible means of coexistence, and beyond it lies anarchy, wherein the correlation of forces which, when a phenomenon of this type is triggered, are changing, prevail, without guarantees for anyone. The country was treading very close to this last week, before the concerned eyes of the world which recently believed that it observed in Argentina a steady progress toward recovery, after grievous periods of savagery.

Evidence of this is the statements arriving from various parts of the globe. From all this, it follows that the only passable route for the armed institutions is that of respect for the law and regulations, as the two aforementioned military chiefs have so aptly stated. Beyond this, there can only be impunity, but not even a bit of future.

2909  
CSO: 3348/297

ARGENTINA

FARM SECTOR LEADERS ON EFFECTS OF AGRICULTURAL MEASURES

Buenos Aires CLARIN in Spanish 21 Mar 87 p 3

[Article by Romeo Medina]

[Text] The mobilization of the producers to campaign for their usual demands is tending to slacken, but the problems underlying these demands continue to exist.

The peasants, who are suffering the most, have a great deal of work in the rural sector. This is the middle of the heavy harvest season and the majority have no spare time for gatherings and mobilizations. To this must be added the approaching visit of the pope and the Holy Week celebrations, which add to the reasons for postponement.

On the other hand, the debt, the number one problem, has been to some extent alleviated because of the announced refinancing, beginning 1 April, and the extensions being granted by the provincial government banks.

Lull on the Pampa

Where the mobilizations are concerned, the Agrarian Federation is completing its present series of meetings. One will be held in Villa Maria tomorrow, and the last will take place on the 27th or 28th of this month in Canada de Gomez.

The leaders of that body have noted the growing calm in the pampa region. The "inevitable lull" does not, however, mean that other means of protesting to the authorities will be interrupted. The main concerns now have to do with the dairy sector and some regional production sectors.

The dairy farmers, who offered low prices in the last months of 1986, have now "swallowed" the February increase (this is the expression used by an FAA leader) and are now faced with price freezing. They calculate that with regard to the Alfonsin judgment, for which there is great nostalgia, the lag in what the producer receives ranges between 54 and 60 percent. They are hoping that the secretary of agriculture will make a decision, but Humberto Volando told CLARIN that "Figueras seems to be concerned only with the province of Buenos Aires and livestock breeding."

Among the regional production problems are those of the sugar-cane producers, which have now dragged on for a long time. There are some who have not even collected for the 1985 harvest, many for that in 1986 as well, and the price of cane for the future harvest has not yet been set despite the fact that the Sugar Law requires that this be done in November of the preceding year. In other words, this decision is already 4 months late.

To this is added the reduction in the production quota this year to 900,000 tons. One of the aspects of the economic crisis in Tucuman is in addition "an industrial sector which has declined," according to the FAA, for which reason "many producers do not know which mill to sell to in order to be certain of being paid."

The UCIT, which is the organization of the independent cane growers, has already met with Minister Antonio Troccoli to explain its problems to him. The FAA believes that the lack in various bodies of effective heads is a factor making it difficult to find solutions. The replacement for Poliche in the Secretariat for Regional Development has not been named, and the National Sugar Office remains in the hands of an interventor.

#### Awaiting July

Another urgent problem is that being experienced by the vine growers in San Juan, who are demanding authorization to export fresh grapes as the only solution for a surplus crop. The rice growers, for their part, are being squeezed for the second consecutive year in a familiar pincer movement between high costs and noncompensatory prices. The president of the CRA, Raul Romero Feris, told CLARIN that the price of rice today is practically the same as it was in 1986.

In the fruit production zones of Mendoza and Rio Negro, the main harvest sent the producers in search of markets (and into an advertising campaign about the virtues of the apple). They are faced with a cut in imports by the European Economic Community and a reduction in imports by Brazil. They are hoping for favorable government negotiations.

Apart from these situations, which are serious and difficult to resolve, the trend in the central producing zone is toward calm. The Buenos Aires and La Pampa Federation of Rural Associations (CARBAP) has not planned to hold any further zone meetings, although decision to do so at the meeting of the leadership council next week has not been excluded.

Arturo Navarro, president of that body, gave a speech which was almost entirely trade unionist in content last Thursday at the inauguration at the new Stroeder Rural Association (Branch No 103), and together with other leaders, he participated yesterday in the businessmen's meeting organized by the Bahia Blanca Association of Crop and Livestock Producers.

The calm in the rural sector may last until June, but FAA leaders say that "In July and August new financial problems will arise again." At that time, the plantings for the secondary harvest will have been completed, and in the following months, agitation on the part of the producers may develop again.

## Political Reasons

Romero Feris does not agree with this evaluation at all. "The people are prepared for any action which is necessary, but they are also tired of struggling," he told CLARIN. "In addition, let us not forget that the best tool of struggle in a republican system is the vote at the polls."

He explained that his group will not engage in politics, but "We will advise the voters to think carefully about how they cast their votes. The present policy does not work to our benefit," he noted, "but we are also frightened by the things the main opposition force is saying about potential income and rural reform."

This leader sees an "electoral attitude" in many of the actions of the Secretariat of Agriculture. By way of example he mentioned the presence of "the leading individuals in the economic team at the press conference at which the refinancing of the debts of the farm producers was announced."

The Secretariat now has "a dynamism which it lacked in the Reca era, but this is not being translated into basic solutions. There are only temporary palliatives," he commented. "The main thing is to make farm enterprises profitable again, because otherwise there will be no way to pay for today's refinancing, and this will have to be repeated when the repayment dates fall due."

There have been disappointments and corrections for these bodies in connection with the refinancing of debts announced on Friday of last week. The great disappointment is that there will be no Central Bank rediscounts for them. What has been good treatment to date has become the opposite.

"The fact is that there were two stories," Humberto Volando said. "Minister Troccoli had told us (at the meeting of provincial ministers in the sector and FAA leaders) that there was going to be Central Bank aid for the provincial banks. Then we learned that there would not."

Moreover, Volando and Romero Feris agree that without profitability, the refinancing will serve no purpose, and that in addition, the so-called "green bond" (which is not a bond but a system of acceptances for this sector specifically) will not resolve any financial problem.

There are a number of reasons. The "green bond" will not be able to compete with the government securities the government has just put out (and in particular, with the BARRA, with real guaranteed income). There will be few takers willing to risk loans to producers, above all farm producers, when their economic prospects are not good, and finally, it will be difficult to find producers willing to utilize an expensive and dangerous source of money.

In addition, CLARIN was able to learn about some of the characteristic aspects of the refinancing which was the product of the talks between the SAGyP and the two main creditors, the national banks and those of the province of Buenos Aires.

Those who choose this refinancing will have to pay nothing for the first 12 months (April 1987 to March 1988); in April of 1988, they will pay 70 percent of the interest but nothing on the capital owed; in April of 1989 they will pay the balance of the interest and a half of the capital; and in April of 1990 the balance will be due.

This refinancing is regarded as an inadequate measure for another reason as well. It takes into account only the debts of the producers to the government banks, and not those to other sources of financing. This aspect was discussed this week by the Association of Grain Growers in the north of Buenos Aires Province.

That organization noted that between 70 and 80 percent of the debt is owed to private banks, cooperatives and warehousing facilities. The latter have to obtain money at market prices (free rates) which are more expensive than this refinancing. Contractors and producers who buy equipment on BID credit, and who do not qualify for this refinancing, will also be at a disadvantage.

On the other hand, the Central Bank rediscounts planned for the regional economies (and announced by the president of the Central Bank himself)--70 million australs for the balance of the year--are regarded as entirely inadequate. "The sugar harvest alone will take up a half of this figure," Volando estimated.

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TUCUMAN PROVINCE REPORTS GRAIN PRODUCTION LOSSES

Buenos Aires CLARIN in Spanish 21 Mar 87 p 7

[Text] A severe summer drought has added to the problem of the situation of indebtedness in which the grain producers in Tucuman find themselves. It is estimated that in the farm region which covers the eastern part of the province, which mainly produces soy beans, corn and French beans, the drop in yields will vary between 40 and 80 percent, depending on the area and the crops, with a total loss in some cases.

As a result the producers are faced with critical financial complications due to their total inability to honor the commitments made.

Among these complications are the debts owed to the sector which provides supplies and the difficulty in making grain deliveries promised on the basis of anticipated sales.

The producers say that this method of selling, widespread this season, is a result of the problems encountered with high financial costs and the lack of credit granted to the sector.

"The production of grains in Tucuman accounts for 2 percent of the total for the country," according to Juan Luis Fernandez, a producer in Cruz Alta, "but grains rank third on the provincial level among farm products, after sugar cane and citrus fruits.

"Our activity covers about 150,000 hectares in the province of Tucuman," Fernandez added, "but the area of influence is much greater, since the producers in Tucuman have extended their cultivation areas to other adjacent provinces."

"The recent drought is one of the worst weather disasters experienced by the province in recent decades," Alfredo Enrique Salomon commented.

"The lack of rainfall in the month of February, entirely atypical for the region," he said, "coincided with the flowering and fruit-bearing period for our crops, so that the flowers aborted, the pods fell off and seeds filled out insufficiently.

"To this was added the lack of water reserves in the soil," the producer continued, "as a result of the low rainfall level at the beginning of this farm season and the predominance of north winds which caused high temperatures.

"The Secretariat of Crop Raising and Livestock Breeding in the province drafted estimates of the losses for the soy bean, corn and French bean crops, showing a reduction in soy bean yields ranging from 40 percent in the zones which were less affected to a total loss, in other cases," Salomon said.

"The losses were even more serious for the corn crop," he went on to say, "while for the plantings of French beans, apart from the damage caused directly by the drought, significant losses occurred because of the impossibility of planting on some areas for which the producers had already made the expenditures for supplies."

Angel Martinez, manager of the La Ramada de Abajo Farm Union and Progress Cooperative, said that "The immediate future of the producers in the region depends greatly on the results obtained in this soy-bean season.

"However," he went on to say, "in view of the losses caused by the drought and the high level of the producers' indebtedness, it can be estimated that 80 percent of them will not be able to meet all of their financial commitments and tax obligations and still have resources enough to undertake a new crop cycle."

"In view of the lack of credit support from the banking bodies," Rene Atilio Ason said, "we soy bean producers have obtained a favorable response from the private sector, which has allowed us to obtain our supplies by providing financing until the harvest period."

"The farm sector is competing for credit with the trade and industry sectors, which have a much more rapid turnover of capital," Roberto Esteban Espejo, vice president of the Tucuman Farm Producers' Association, said. "Moreover, in our activity, the cycles are annual, and therefore we are prevented from accepting the high present rates."

"Some of the credit, such as that allocated for the purchase of machinery," Victor Javier Martin added, "has not been a success because of the high interest rate increments."

"The most important of the problems we are facing in the region has to do with the present lack of profitability characterizing the farm enterprises," Arturo Rodriguez Renguel, a producer in the department of Burruyacu, said. "In our case this is aggravated by the distances to the shipping ports and the factories which process raw materials, resulting in sizable additional freight costs."

#### Farm Emergency

"To the problems affecting grain production in the region," Salomon said, "are added those in the industrial and the exporter who has made anticipated

purchases which it will be difficult for us producers and the providers who financed the supplies for the harvest to deliver.

"Therefore," he added, "in view of the problems developing in the 1986-87 season and the lack of resources with which to undertake the next crop cycle, we have asked that the province of Tucuman be declared an emergency and/or farm disaster zone.

"Since the province had no farm emergency law," Salomon went on to say, "we worked with the legislators, who drafted a law which already has partial support, since it has been approved by the provincial senate. It would allow the application of National Law No 22913, which provides for special credit and other benefits to offset such situations as this."

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TOTAL TRANSFORMATION OF FARM SECTOR VIEWED NECESSARY

Buenos Aires LA PRENSA in Spanish 5 Apr 87 p 3

[Article by Silvio Lulinski]

[Text] On more than one occasion, this column has been devoted to the need to draft a new farm policy through which the sector could be put in a position to resume its vital positive advance, while also allowing it to compete advantageously with the countries which protect and subsidize their production. On each of these occasions it has been noted that the present system can no longer be helped except by the temporary expedients which are attempted from time to time, but which prove useless because of the lack of proportion which still exists between the problem and the solution offered.

In connection with this subject, something similar to what is seen in many other aspects of life, both that of individuals and that of peoples, occurs. Certain items become worn with use, age and pass into that gloomy category called "obsolescence," and it becomes essential to replace them if what is wanted is to continue to move forward along a creative path.

The structures which make up the Argentine agricultural system are in this category, almost without exception. They were developed as problems arose to respond to the situations in those historic periods, when other variable factors dominated the international scene. To put it briefly, the Argentine farm system was structured when the dominant concept in the world was the shortage of foodstuffs, at least for those population groups which could pay for them.

This concept of world food scarcity, and others which developed at that time, such as the impossibility of increasing food production at a rate matching world population growth, dictated the entire farm policy of that era. Also, a way of thinking developed in which pride led us to proclaim Argentina as the "grain basket of the world."

Nothing Is the Same Now

Well then, all of the conditions which prevailed in those days have changed entirely. Today we find ourselves in a world in which food is superabundant,

again within those countries which have the capacity to pay. There are huge accumulated stocks of grains and meat which are being put on the market, causing vertical price drops.

The extraordinary technological developments which have come about in recent decades have caused the radical change in the prevailing conditions. The countries threatened by food shortages in the era immediately after World War II applied themselves zealously to incorporating technology in both production and marketing, and they succeeded in completely dispelling the picture of shortage and in accumulating stocks which have currently reached astronomical totals. From net importers of grains and meat, they became aggressive exporters of these same goods.

The conditions on the international food markets underwent a diametrical change. The sales battle has reached a level of aggressiveness today which was inconceivable a few years back.

But we, for our part, continue the same as in that era. Our arrogance about our much vaunted comparative advantages blinded us and prevented us from drawing the conclusions from the spectacular phenomenon in which other countries in the world were the protagonists.

The only real change which came about was the emergence of the Soviet Union and other eastern European countries as our new market. For a time, these countries bought from us with the unconcealed intention of retaining an alternative supplier. To top all these evils, these new clients were satisfied with products as they were delivered in those other times. Everything was fine then, and there was no need to change anything, we told ourselves with this same haughtiness.

Today the past interest of these new clients seems to be dwindling, and they have begun to abandon purchases from our country. The Soviet Union, which was a firm market for 50,000 tons of meat per year, suddenly ceased to load this product, and never again returned to doing so. This was almost 2 years ago now.

#### What Must Change

When the analysts are asked which of the structures should be altered, they answer without a doubt "all of them." And they add that it is necessary to change all of the fundamental assumptions on which the system is based.

And if they are asked for further explanations, they give examples. It is necessary, they say, to uproot the deeply embedded concept according to which the rural sector can contribute resources to subsidize other sectors. This was possible for as long as international prices allowed the state to take funds from the producers' compensation and divert them to any purpose deemed desirable.

Today international prices have dropped so much that they might suffice for those producers on the highest level of efficiency, who, naturally, are but

few. Agriculture in general, the experts point out, will need in this situation to be liberated from all of the hindrances which weigh it down if it is to remain competitive.

Another basic belief which must be eliminated, say those in the know, is the presumption that the only products of agricultural origin which can be exported are grains and beef. And they will expound on this theme willingly. There are innumerable products of farm origin which are well accepted, have a good market and could be very readily sold if only an effort were made, not to mention, the analysts say, those which we have abandoned out of apathy or ignorance, such as wool.

And one could go on at length, with the hypotheses on anachronistic bases which have led us to this sad situation.

#### What Should Be Done

In view of this, it is necessary to undertake a study of things, seriously and with a new approach. The country has the men capable of doing this reliably and capably. These men are everywhere, in public and private posts, and it would only be necessary to summon them to participate in this great undertaking.

So that this great national venture can be carried through successfully, it is essential that we cease to look only at the present situation. In order to effect this great change, all of the individuals and institutions concerned with the rural sector must achieve the breadth of view it requires. However, this does not by any means mean ceasing to point out errors or to describe deviations clearly.

What is involved, we believe, is that the short run must cease to be the exclusive and excluding factor, so that the medium and long term will again be aspects which merit attention as well, with the seriousness which is their due.

There can be no doubt that no sectorial solution should fail to fall within the context of the overall solution for the country. But there is no doubt either that the beginning of the change, which requires understanding, must inevitably be sectorial.

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FRG PROVIDES AGRICULTURAL TECHNICAL ASSISTANCE

La Paz EL DIARIO in Spanish 29 Mar 87 p 3

[Text] The National Community Development Service has signed loans to date totaling 26,580,000 deutsche marks. This sum will be increased by the 12 million allocated to the Culpina and Punata Irrigation Projects.

According to a report, the feasibility studies for the Culpina and Angostura Projects, as well as the operation and maintenance project for the whole program, are being financed by resources donated by the Study and Experts Fund in the FRG.

The whole of this vast undertaking is being carried out by the National Community Development Service, thanks to the financial aid of the Kreditanstalt fur Wiederaufbau (KfW), a financial agency of the government of the FRG, and the technical aid of the Salzgitter Consult state consulting agency in the FRG.

Program

In May of 1977, the most ambitious project of the SNDC was launched. It represents in fact the most important decision on the national level to improve the farm yield in the Bolivian valleys and high plateau so as to improve the standard of living of the residents. The effort is designed to bring about real development in the peasant communities which will benefit. The first steps in the program included the difficult task of selecting the various projects to be regarded as models for the future development of the entire region.

A number of factors determined the location of the first projects, one in Valle and the other on the Altiplano (high plateau), the most densely populated rural areas in the country, the Upper Cochabamba Valley and the distant Lake Titicaca region. They are called the Punata Project and the Huarina Project.

The Punata Project, which in the course of its developmental study will be divided into the two separate Koari and Punata projects, is to begin first.

It was decided to begin with the Koari Project because it is closer to the water sources and the upper valley, specifically in the higher area of the province of Arani, in which the settlement of Tiraque is the main center of influence.

As of the present, two dams in the Koari Project, the Kehuina Khocha and Koari Dams, have been completed, and will soon be commissioned to achieve the aspirations and goals for which they were conceived.

Also, the Robada Laguna Dam, which is a part of the Punata Project, has been completed.

In November 1986, work was begun on the Muyu Loma Dam. Work on the Luska Khocha Dam, another included in the Koari-Punata system, will begin in 1987. Before the end of this year, bids will be solicited for the Totora Khocha Dam, which will complete the irrigation system.

These five dams plus those already in existence--Totorita Khocha, Kayarach Khocha and Pachaj Khocha--will make up the battery of dams which, together with the various intakes and catchment systems for distant basins, will constitute a vital element in the agricultural recovery of the valley region.

Last 1 September, the construction work on the Khara Khota Dam, a basic element in the Huarina Project, was begun. As of the present, the construction work is well along, as are its main canals.

In July of 1986, the feasibility study for a new project located in the valleys of Chuquisaca was completed. Included within the Culpina Project, it will be built shortly with the participation of the CORDECH. Also, the SNDC is pleased with the German government's agreement to expand the program with the future inclusion of the Angostura Project in the department of Santa Cruz. The feasibility studies to be made will be paid for out of donated funds.

Last September, the SNDC signed an agreement with the IBTA for the optimal development of the use of the waters generated thanks to the program, through a water management program and water use based on improved agriculture. To this end, the IBTA has just received 2.3 million deutsche marks in German aid allocated for the technical cooperation aspect of the program.

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DEMOCRATIC PROCESS LACKING IN POLITICAL PARTIES, SAYS WRITER

La Paz EL DIARIO in Spanish 29 Mar 87 p 2

[Article by Edgar Millares Reyes]

[Text] Internal administration and government in political groups, as in any organization made up of human beings, requires understanding in order to be workable. Men and organizations are evidence of the prevailing culture, and thus not a mere reflection, but rather a substantive appraisal of their civilization.

In the Western world, an effort has been made to introduce the democratic style in all structures. As a result, an attempt has been made to impose this model on the political parties. This has of course had good results in Europe and the United States of America, because of the education of these peoples, and there is no need to explain those cases here.

This constitutional principle and democratic conduct of the parties has also extended to and been practiced in Latin America. As a principle, there is no reason to object to it. When it comes to the practice, on the other hand, there is much to be discussed. In Costa Rica, for example, where the political parties have a democratic life, none is set aside in favor of another, such that they constitute the example in this part of our America. In Mexico, powerful economic interests seem to have bought out what for a time seemed to be an example to follow. Something similar is occurring in Venezuela, mainly with regard to the two largest political parties. With regard to the liberals and conservatives in Colombia, although they practice acceptable internal democracy, the power of money dictates the national or local leaders, because even for the publicity necessary to advance, adequate resources are required. These are some examples, and we could go on at considerable length.

In Bolivia as well there has been a search for internal democracy in the political parties. It seems that the country has not generally adopted the concept of democracy in the Western style, consistent with its basic principles. For this reason there is talk of "democracy in the Bolivian style." And it is thus that this democracy is practiced. It is copied in the "internal democracy" of the political parties. Those in command of the parties do everything possible, and even the impossible, to stay in that

position, it matters not how. Since the 1950s, this internal democracy has meant positions in public office and their use for every purpose, including elections within the parties, but this is done with the imposition of a given candidate so as not to lose control of the group. In the final analysis, this does not seem to be an honest method. The result is that since there is no simple and healthy contest, resentments build up, control is lost, and many times this results in schism.

For as long as all of this continues along its torturous path and there is no obvious intention to manage the political parties in balanced fashion (and this falls to the leadership), an acceptable democracy will not be possible in this country. It is for this reason that even the North Americans, in speaking of the practice of democracy in Bolivia, refer to "viable democracy," that type of model with all its faults, but in their view, democracy after all. In our opinion, to the extent that we do not achieve a cultural advance in our behavior in political matters, there will be no acceptable democracy which does not need a qualifying adjective.

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CSO:3348/260

POLL REVEALS STRONG SUPPORT FOR DEMOCRATIC PROCESS

La Paz EL DIARIO in Spanish 30 Mar 87 p 2

[Text] The profound crisis which the political parties are experiencing, especially the parties on the left, and the tremendous importance these ideological apparatuses are taking on in the leadership of society and the state led students in the Faculty of Law (Parallel A) and a professor teaching courses on the theory of the state in that faculty, Dr Eusebio Gironda, to poll the opinions of citizens in all strata about the political parties, their structures, shortcomings, leaders, solutions to the crises they are experiencing, and the importance of the elections.

The population group studied is vast, with the major sectors including workers (all categories), peasants, craftsmen, businessmen, union members, artists, students, teachers, intellectuals, pensioners, those in the religious professions, athletes, those in the liberal professions, journalists, politicians, professional military personnel, housewives, etc. The sampling of individuals, chosen on a selective basis, totaled 600.

In our opinion, a careful analysis and tabulation of the answers leads to the the following conclusions:

- a. The most revealing indicator seems to be the large percentage of abstentions and disagreement with and rejection of the parties in general, expressed by 32.3 percent of the total.
- b. The growing increase in the number of independent individuals without party membership, totaling 72.3 percent, is notable.
- c. The majority parties continue to be those which won the citizens' preference in the last elections: 17.4 percent for the ADN, 16.2 percent for the MNR and 10.1 percent for the MIR.
- d. The greatest shortcomings of the political parties, in the general opinion, are the quality of the leaders, their programs, ideological and political dependence, and excessive splintering.

e. The most expeditious methods of resolving the party crisis are, among others, reduction in the number of parties, greater realism, program improvement and the creation of broad alliances and blocs.

f. The citizens ascribe great importance to the municipal elections. This confirms a healthy desire to live in democracy, as well as support of the consolidation of the democratic process begun 5 years ago (69.6 percent).

g. Those questioned tend to prefer well-known leaders in the political sector, such as Victor Paz, because of his experience, with 19.3 percent; Hugo Banzer, because of his energy, with 14.9 percent; Jaime Paz Zamora, because of his youth and influence, with 9.6 percent, and Marcelo Quiroga Santa Cruz, because of his charisma, with 7.4 percent. A substantial portion of the citizens have no preference for any of the leaders, "because they do not have the proper or required characteristics," in the view of 29.6 percent. Other important figures show that the citizens want new political leaders.

h. The parties receiving the most votes because of the work done in recent years are, in order: the MNR, ADN, MIR, PS1, FRI, Vanguard, MNRI and MBL.

The figures we are publishing demonstrate objectively what is happening to the political parties, as well as the tremendous shortcomings in their structures, programs and methods of action. This information should serve to correct the structures, methods and styles of work and traditional struggle of the parties to some extent, so that they can better and more efficiently meet the social requirements which are multiplying as a result of the negative effects of the crisis.

The following is a summary of the survey made by the students and professor in the Faculty of Law.

#### Survey

Question		%	Total
1. Are you a member of any political party?	Yes	27.7	164
	No	72.3	428
2. What political party holds most attraction for you?			
	ADN	17.4	99
	MNR	16.2	92
	MIR	10.1	57
	PS1	9.5	54
	MNRI	2.3	13
	PCB	1.6	9
	PSL-MQ	1.2	7
	FRI	1.1	6
	MNRV	1.1	6
	MRTK	1.1	6
	UDP	0.9	5
	MBL	0.7	4
	FSB	0.7	4

Question	%	Total
EJE	0.5	3
Others	3.3	19
None	32.3	183
<b>3. What are the most important shortcomings in the political parties?</b>		
Leaders	28.5	255
Programs	15.1	135
Political, ideological and economic dependence	14.6	131
Excessive splintering	13.3	119
Organic structure	13.6	122
Inadequate methods of struggle and work	13.1	117
Other	1.8	17
<b>4. Is it possible to improve the parties to make them efficient tools, and how?</b>		
Reduce number of parties	31.1	252
More realism, less Utopia	22.6	183
Improve programs	17.4	141
Alliances, blocs	12.0	97
Viable proposals	8.7	71
Less "bossism"	7.3	59
Other	0.9	7
<b>5. What importance do you assign to the municipal elections?</b>		
A great deal	69.8	391
None	16.1	90
Relative	14.1	79
<b>6. What political leader impresses you?</b>		
Victor Paz Estenssoro	19.3	109
Hugo Banzer Suarez	14.9	84
Jaime Paz Zamora	19.6	54
Marcelo Quiroga S.C.	7.4	42
Roger Cortez	3.9	22
Juan Lechin	2.8	16
Others	12.4	70
None	29.7	168
<b>7. List the most important parties as a function of the work accomplished.</b>		
MNR	241.5	380
ADN	20.9	371
MIR	17.8	315
PSL	12.6	223
FRI	3.8	68
MNRV	3.1	64
PCB	2.7	7
MBL	2.4	43

Question	%	Total
UDP	2.3	41
FSB	1.6	27
Native	1.3	23
PRIN	0.5	8
EJE	0.5	8
PSL MQ	0.5	8
Other	4.2	74
MNRI	2.8	50

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MUNICIPAL ELECTIONS SCHEDULED FOR DECEMBER

Cochabamba LOS TIEMPOS in Spanish 3 Apr 87 p 5

[Text] La Paz, 2 April (ANF)--The National Electoral Court will initiate the preparatory activities for the municipal elections next 6 December during the second half of April, its president, Mauro Cuellar Caballero, said today.

While there are still 8 months remaining before the municipal elections will begin, the National Electoral Court is experiencing problems of an economic nature, although they are not insoluble.

Cuellar, who still divides his time between the National Electoral Court and a local athletic club, urged "prompt legislative approval of the general budget of the nation," the financial tool which sets forth the expenditures schedule.

The official in charge of administration in the electoral branch gave assurance that as of the second half of April, the activities with a view to preparing the juridical and emotional atmosphere as the municipal elections approach will be intensified.

Schedule Adjustment

"We will have to adjust the schedule of events, but we will be successful even with a few changes," Cuellar Caballero said.

The intensive work will begin after 15 April, when the Court will begin to receive reports from the departmental electoral bodies and will issue instructions for the establishment of the minimal working conditions needed in each of the regions.

However, beginning on 30 April, the political parties will have to register, as an essential condition for authorization to participate in the municipal elections, which it is hoped will serve as a thermometer of the political trends and will show the preferences of the voters.

"If we are given the initial resources, we will begin the main activities of the National Electoral Court on a firm footing, and in June or July, the country will again begin to experience the typical pre-electoral atmosphere," Mauro Cuellar commented.

### **Valuable Double Importance**

The elections this coming 6 December have a valuable double significance for the country. On the one hand, they will definitively institutionalize this painful democratic process which we have been building in the country, while at the same time, they will be the first municipal elections to be held with universal suffrage.

Cuellar said that apart from the renewal of the metropolitan governments throughout the country, the municipal elections will inaugurate a new phase in the democratic history of the country.

The last municipal elections were held in 1950, but not all of the citizens could participate then, because it was an election with qualified voting. The income and the educational level of voters were taken into account, and other requirements which limited the exercise of democracy were imposed.

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**EMPLOYERS' CONTRIBUTION REDUCTION TO CNSS CRITICIZED**

La Paz EL DIARIO in Spanish 26 Mar 87 p 4

[Text] A major 5 percent reduction in the employers' social security contribution as set forth in the general budget of the nation will practically mean the disappearance of the social security system, the Bolivian Association of Mathematical and Statistical Actuaries for this sector maintained in a letter addressed to the president of the Chamber of Deputies.

The letter says that the employers' contribution established at 30 percent of wages in the Social Security Code would be reduced to 20 percent by the proposed "Rationalization of the Social Security System" submitted to the executive branch last year. Studies of this proposal, which was designed to adapt social security conditions to the current situation the country is facing, were completed, and as a result the new calculations call for a 5 percent reduction.

Approximate estimates of the situation of the managing bodies made by this association reveal that they could not survive, since at the present time they already find themselves in a difficult situation.

The mere application of the IVA has caused a drop in income for the basic and branch bodies, which, with the loss of the tax on gasoline and the indirect taxes on telephone, light and others, are facing serious problems in maintaining the liquidity to meet their obligations. In addition, a freeze has been imposed on the resources of all of the bodies under social security jurisdiction, which are required to deposit them exclusively to the Central Bank, at a minimum annual interest rate of 6 percent.

**State Contribution**

The Social Security Code established the contribution of the state as such at 1.5 percent of the social security contributions on the wage total for the country. The government always skimped on this contribution, avoiding the obligation all governments have to support social security as the most direct means of achieving the main goal of governments--service to the collective, to the people by whose votes and as whose representatives the government won power.

The new national budget reduces this almost symbolic contribution to 1 percent, striking a new blow at the very existence of the social security bodies.

#### Labor Contribution

"Also, there is a reduction from the 3.5 percent present contribution to 2.5 percent, which also will have an impact on social security, and which was not solicited by the workers. On the contrary, they reject it. Such an amendment should be made in the draft national budget which, we point out again, has not been subjected to technical study in this connection. Thus this measure directly exceeds the existing provisions for this purpose, such as those set forth in the Social Security Code and its regulations, and what is being sought is to legislate directly, going beyond the functions of the legislative branch, using the somewhat camouflaged vehicle of the annotated draft general budget for the nation."

#### Implications

"We believe that our duty as technicians in this field is to point out the serious dangers these measures involve.

"1. The bankruptcy of the social security bodies may cause the cup of popular discontent to overflow, with the mobilization of the 100,000 retired persons who live on these funds.

"2. This bankruptcy complicates the measures of the government itself, since those "dismissed" will not be able to secure income or even to obtain free services from the social security department, which cannot even meet the requirements of those it legally covers.

"3. The social concomitants will generate others of a political nature which may very well even threaten the stability of the government and entirely cancel out the great sacrifice which has been demanded of the Bolivian people in order to rise above the crisis, since the administering bodies will find themselves forced to make a drastic reduction in their personnel."

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COCHABAMBA CIVIC LEADER SEEKS DEPARTMENT'S DEVELOPMENT

La Paz PRESENCIA in Spanish 4 Apr 87 p 7

[Excerpt] Cochabamba--3 April--Cochabamba will be a hydrocarbon-producing department. Cochabamba will be great. Bolivia will be great because the people of Cochabamba so desire. The president of the Civic Committee for Cochabamba, Carlos Quiroga, made these statements in his keynote speech in connection with the civic march for progress and unity held here today.

While setting forth the need to create a new state in which each region "will take charge of its destiny," he said that the "excessive centralism" of the government has broken up the nation and distorted its integrated essence.

"Enough misery"--unity is the only guarantee of success, Quiroga said, demanding that the government allocate \$14 million so that the Bolivian Government Oil Deposits (YPFB) can pursue exploration work in this department.

"Cochabamba should be a producer of hydrocarbons. Cochabamba should have the \$14 million. We will not stop until this money is here. Cochabamba should be represented on the board of directors of the YPFB. Cochabamba should participate in the management of oil exploitation," he said.

He stated that other departments have received royalties of between \$7 and \$74 million for producing hydrocarbons and minerals, and Cochabamba only \$523,000.

"It is a source of concern that the subsoil is appropriated by some departments as their own. The subsoil belongs to the Bolivian state and Cochabamba is Bolivia too. Cochabamba has a right to benefit from the natural wealth of the state."

And he added: "Certain departments look at development solely from their regional point of view. We are experiencing one of the most serious crises in history and the government is making it worse by [illegible] the country and breaking the country apart by encouraging regional differences.

"We are tired of begging for alms. We are tired of going with hat in hand to obtain crumbs from the general treasury. We should not tolerate the lag in the work schedule of the YPFB. Cochabamba should have its \$14 million for its oil program," he said.

He charged that the government, with the imposition of the IVA, has left the city hall without resources with which to carry out development projects. He maintained that the government planned to drill 60 oil wells in Santa Cruz, and Cochabamba has been deprived of the \$50 million which generated "assets for the treasury."

"Cochabamba will be a hydrocarbon-producing department because the people of Cochabamba want that. We will not be the prisoners of a weak national state. We must say 'enough,' and we say it now," he said.

He charged that Cochabamba is described as a great cocaine and drug-trafficking factory. Drug trafficking is in the United States and Europe. "The drug traffickers are in the United States and Europe, and we have calm minds. Our consciences are clear."

He suggested that overall planning to replace coca is necessary. Cochabamba need funds for Misicuni, Valle Alta, the airport, and the development of the tropical zone, and "We must unit to obtain them."

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BOLIVIA

BRIEFS

NONTRADITIONAL EXPORTS TOTAL \$45 MILLION--In 1986, Santa Cruz obtained \$45 million in income from nontraditional exports, particularly agroindustrial products, according to information obtained from the Foreign Trade Office. The report says that the main products exported were soybean cakes, sawn timber and soybeans. Other agroindustrial products which contributed to the sum mentioned were following, in order of importance: soybean meal, white sugar, ethyl alcohol, tanned leathers, sheets of wood, cotton thread, lamination scraps, edible soybean oil, and, to a lesser extent, wood veneers, wooden panels and kidney beans. The gross export total in kilograms came to 112,810,124, while the foreign exchange total earned by exporting these products came to \$44,909,187. [Text] [La Paz PRESENCIA in Spanish 8 Mar 87 p 6] 5157

CENTRAL BANK REORGANIZATION--Javier Nogales, the president of the Central Bank of Bolivia, has announced that 600 employees have been dismissed throughout our national territory, another 250 will be paid off in the course of the next few days, and a program of new contracts will be finalized. These measures, he said, will provide "improvements in the wage level" for the workers retained in the administration of the currency-issuing institute, in accordance with DS 21137, which provides that an institution may use up to 50 percent of its savings to increase wages. Nogales presented President Victor Paz Estenssoro with a report on the reorganization plan the Central Bank of Bolivia has launched in an effort to achieve greater efficiency, mainly in the providing of certain services. He explained that some difficulties have been encountered in processing "payments to the personnel dismissed. But progress has been made and more than 600 individuals have left the bank." He said that "some arrangements" were made with the State Bank, so that that structure could handle payments to national court personnel and provide teller-window service in the public sector, as well as other services. "In general, we have made progress in systematizing foreign trade and achieving efficiency through simple and speedy operations which will be channeled through the national banking system. Considerable authority to establish credit and pay for services throughout the national territory will be given to the regional offices, so that better service can be provided with fewer employees." The report to the president included information on the awarding of a bid to a French enterprise last Thursday for the printing of paper money. With regard to the operation of the offices in the interior of the country, the president of this institution said that plans call for providing small contact offices

which can carry out bank auditing and supervisory tasks in connection with the operations to finance development. The criterion for the new contracts has to do with making the administrative staff professional, which previously characterized only 20 percent. [Text] [La Paz PRESENCIA in Spanish 30 Mar 87 p 3] 5157

**PEASANTS SHUN FARMING**--The producers in Pando do not want to devote themselves to agriculture under the present conditions, preferring to continue with their traditional activity, the extraction of rubber, the undersecretary for peasant affairs explained during his last visit to the city of Cobija. In order for them to turn to agriculture, a series of structural improvements would be needed, to give the producers in the department better prospects than are currently offered by rubber, producers in that department told PRESENCIA. Without a doubt, the rubber producers do not enjoy marvelous conditions, and in fact their status is almost semi-slavery. However, the prospects farming offers in that zone are not exactly the best. Normally, the rubber producers who are "employed" are constantly in debt to the bosses or owners of the sheds because of high commissary prices, on the one hand, and the low price generally paid for the raw rubber, on the other. If a rubber producer were to decide to buy his supplies from some other merchant who might come into the zone, he and his family would probably suffer very serious consequences, because at a given moment the owner of the shed might make him feel the rigors of harsh punishment. Despite this background, agricultural production in Pando and the zone north of Beni is poor, and this is explained by the tremendous crisis prevailing in Brazil generally for these same products, with the result that this activity offers no incentives except on the self-consumption level. On the other hand, these people have indicated that the central government, through its executive body, which is the Agricultural Bank of Bolivia, has systematically refused to grant credit which might aid them in their desire to improve their living conditions. [Text] [La Paz PRESENCIA in Spanish 4 Apr 87 p 6] 5157

**FARM SECTOR RECOVERY PROSPECTS**--The minister of peasant and agricultural affairs has issued a warning about certain problems which are threatening the agricultural advance of the country. He said that the investments in national production are not very great and that the credit system is not reaching the small producers in timely fashion. He stated that for these and other reasons, no false expectations should be created in the minds of the people with regard to the reactivation of farm production, since the processes of expansion and growth in this sector will take several years. He added that there is confidence that the present situation will be overcome through the use of the farm credit allocated by the Inter-American Development Bank (IBD), which is in the final negotiation stages and involves a sum of approximately \$100 million. "If proper use is made of this credit," he said, "and if the problem of access to loans for the small producer is resolved, we can contemplate a gradual increase in farm supply in the medium time range." He added that "If we do not succeed in overcoming the obstacles blocking the recovery of the farm sector, it is not possible to say that the substitution and replacement of the traditional mining and energy economy by the farm sector can be achieved." [Text] [La Paz EL DIARIO in Spanish 29 Mar 87 p 1] 5157

AGRICULTURAL RECOVERY FACTORS--La Paz, 2 April--The factors involved in agricultural recovery must range from the political to the economic, and cannot be limited to credit conditions, according to the secretary general of the National Agrarian Reform Council. In order for intensive agricultural activity to develop in the country, the farmers must be given protection against the developers and land grabbers who use the intervention process. Also, as a supplementary step, they must be provided with technical and credit aid. He emphasized that economic aid will have no value unless the owners of the land are provided with guarantees on their financial and technical investments. He added that in some cases, credit has been allocated a number of farmers who have not been able to invest it in land because of the lack of guarantees, and as a result they have turned to selling plots on the public roads. [Text] [Cochabamba LOS TIEMPOS in Spanish 3 Apr 87 p 5] 5157

CHUQUISACA'S PROFESSIONALS ON REGION'S FUTURE--Sucre, 28 March--The Federation of Chuquisaca Professionals has issued a statement condemning "the absolute centralism to which our region is subjected. This centralization deprives Chuquisaca of the right to think and act on the basis of its regional needs," the statement said. In view of the many frustrations facing the department of Chuquisaca because of excessive centralization, the Federation of Chuquisaca Professionals, which is headed by the presidents of the colleges of lawyers, architects, economists, physicians, dentists and others, expressed its profound concern, since the centralism is sinking the region, which has been reduced to merely obeying instructions. This organization says that the problems of Chuquisaca are dealt with on decision-making levels unrelated to Chuquisaca and many kilometers distant from it, and in the final analysis no reports are even received. "Our few specific regional projects, set forth at length in the national plans, are being neglected and undervalued in an irritating and systematic omission which reveals an intent to enslave us socially and economically which can no longer be concealed and which will be the cause of an extremely delicate and even dangerous situation unless decisive and serious steps are taken." The professionals cite as an example of this total dependence the technical administration of the Vuelta Grande project, which has led to problems, such as the question of royalties and compensation for the loss of purchase value. In conclusion, the professional organization suggests, as a possibility for redirecting the future of Chuquisaca, promoting a complete change in mental attitudes which would be reflected in a strong regional spirit associated with a proper proportion of departmental authority and a realistic vision of the future, in order to prevent circumstances from continuing to limit our freedom of action. The document was signed by Enrique Loayza, president of the College of Lawyers; Jose Luis Aguirre of the College of Economists; Hugo Martinez, on behalf of the Society of Bolivian Engineers; and members of other professional organizations. [Text] [La Paz PRESENCIA in Spanish 29 Mar 87 sec 2 p 8] 5157

CORRUPTION CHARGE--Leaders of the Bolivian Labor Central (COB) have charged that the resources controlled by the Trade Union Funds and Assets Administration and Supervision (AFOPAL) have regrettably become "a means of corrupting a caste of labor leaders." In this way, the national leaders in the construction sector receive a monthly allowance of 750 bolivianos, railroad workers 600 and factory workers 500, apart from the travel allocation of 150 bolivianos per diem. "Also," they said, "one must add to this income

the wages they obtain from their places of employment (legal provisions classify them as commissions). However, some leaders of these organizations have renounced their allowances. The AFOPAL was created under the government of Gen Hugo Banzer Suarez. It administers the 0.3 percent added to sales (the other 0.7 percent is administered by the National Housing Council for Factory, Construction and Graphic Workers (CONVIFACG), and factory, railroad, construction, graphic, press, radio and television workers are included. The leaders indicated that the resources of the AFOPAL should be used for the construction of athletic fields and union premises, but very little has been done in this regard, as they have only served to provide benefits to a group of leaders. In the view of this central workers' organization, the AFOPAL should be dissolved and these resources put in the hands of the Housing Council. These leaders regret that the commission which, with the authorities at the Ministry of Labor, established the 1 percent, is more concerned about the fate of the AFOPAL than the CONVIFACG. The government proposes and guarantees that each of the organizations mentioned will continue to pay its wages, but through the general treasury of the nation. The government wants a cut of \$240,000 in the \$600,000 the AFOPAL administers. The COB suggests that this amount be turned over the Housing Council, and also that the 1 percent charge on sales be recognized as of the month of January. [Text] [La Paz PRESENCIA in Spanish 5 Apr 87 p 11] 5157

FREE MEDICAL CARE FOR CHILDREN—In the future, all of the medical departments under the jurisdiction of the Ministry of Public Health and Social Security throughout the country will be required to provide free medical care, without discrimination, to all children under 5 years of age who need it. This announcement was made official by the minister in this branch, Dr Carlos Perez, who ensured strict observance of this provision by means of a ministerial resolution issued to all the health units, instructing the hospital centers for which he is responsible to implement this measure. He said that a diagnosis was made recently of the vulnerable population groups in the country, and minor children within this group were identified as having a priority need for attention. On the basis of the principle that health is a right "which is not to be purchased," this ministerial department decided to promulgate this important social measure, the minister said, and he added that after a detailed study, it was determined that the leading causes of death in children are acute respiratory and gastroenteric infections. Treatment of these diseases will be free, on the basis of the pertinent programs which have been implemented successfully in recent years. According to the technical data provided by the Ministry of Health, about 2 million children under 5 years of age are covered by this ambitious program, the first portion of which will involve office consultations. Subsequently this service will be coordinated with hospital care as a whole, based on the same concept. According to the estimated population figures for the 5-year period between 1980 and 1985, the rate of reproduction involved 263,000 births annually and 95,000 deaths, yielding a gross birth rate for this period of 44 per thousand and a death rate of 16 per thousand. [Text] [La Paz EL DIARIO in Spanish 17 Mar 87 p 5] 5157

MINERS' CHILDREN WITHOUT SCHOOLS--The children of the relocated miners are doomed to go without an education since, because there are so many of them, 30 new secondary schools would be needed in La Paz and six in Potosi, the leader

of the Miners' Federation, Edgar Ramirez, told PRESENCIA. According to data collected by the Relocated Miners' Association, Ramirez said, the dismissed mining workers who are now in La Paz have more than 30,000 children of school age, while there are more than 6,000 in Potosi. "As the students who regularly fill the classes in the government schools cannot be removed to meet the needs of the miners' children and adolescents," he said, "at least 30 new secondary schools, each accommodating 1,000 students, would have to be built in La Paz, and another six of the same size in Potosi." Ramirez said that the provisions for enrollment issued by the Ministry of Education are mere acts of demagogery, because in practice, there will be nowhere the children of the relocated miners can go to school. The state secretariat had approved a ministerial resolution authorizing the enrollment of the children of the relocated mining workers in the country's government-run primary and secondary schools even after the period established for the purposes by the school authorities. At the request of the Miners' Federation, this measure was expanded to include the children of relocated workers in private mining enterprises. According to Ramirez, the discrimination from which the children of miners are suffering in the fields of education and also health will make it necessary for the workers throughout the country to mount a series of demonstrations for the purpose of demanding respect of their most basic rights from the authorities. To this will be added protests in the mining centers against the measures adopted by the COMIBOL for the reorganization of that enterprise. This mining leader said that the COMIBOL executives are taking steps which will mean a still larger number of relocated workers, and which even exceed the plans of the government itself for rehabilitating the mining enterprise. [Text] [La Paz PRESENCIA in Spanish 9 Mar 87 p 3] 5157

MNR OUSTING MOCKED—Santa Cruz, March--In the MNR, expulsions are "status symbols," a local publication stated in a commentary on the extreme measure taken against Deputy Hugo Velasco Rosales by his party. This publication (REFLEJOS) gave a short history of the expulsions from that political group by way of consoling the recently expelled deputy. Stating that the MNR only expels outstanding members, it listed the many instances in which this step was taken against Bedregal, "and to mention illustrious cases, I would like to remind you that Ciro Humboldt voted ignominiously in the MNR against Dr Victor Paz. Ciro Humboldt will in turn, I suppose, be expelled later." Speaking of Luis Sandoval Moron, now an MNR dissident, it was noted that he "goes in and out of the MNR as if he owns the place." The short commentary, apparently addressed to Deputy Velasco Rosales, ended with the statement that "In a little while, when the row with the leader dies down, you will rejoin and again become a member of the exclusive club." REFLEJOS is a weekly publication which jokingly opposes the present government. It belongs to a family closely affiliated with the MNR (Prado Salmon), since until a short time ago one of the family members served as prefect in this department. [Text] [La Paz EL DIARIO in Spanish 29 Mar 87 p 10] 5157

CSO:3348/260

BRAZIL

POLL SHOWS 70 PERCENT FAVOR SHORTER TERM FOR SARNEY

Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Mar 87 pp A-1, A-6

[Text] Some 70 percent of the population in the country's eight major capitals favor a shorter term for President Jose Sarney. The weighted average for the eight cities indicates that 37 percent of the inhabitants think presidential elections should be held this year, while 26 percent favor a 4-year term and 7 percent favor a 5-year term. Only 26 percent favor maintaining a 6-year mandate, as provided in the present constitution. Comparing the Sarney administration with that of his predecessor, Joao Baptista Figueiredo, the respondents in the cities surveyed are divided: 52 percent believe that the Sarney government is the same as or worse than Figueiredo's administration, whereas 45 percent think the Sarney government is better. The FOLHA survey was conducted on 10 and 11 March in the cities of Sao Paulo, Rio de Janeiro, Brasilia, Belo Horizonte (Minas Gerais), Curitiba (Parana), Porto Alegre (Rio Grande do Sul), Salvador (Bahia) and Recife (Pernambuco).

Rio de Janeiro had the largest percentage in favor of reducing the president's mandate (77 percent). The smallest percentage was registered in Curitiba (61 percent). In Sao Paulo, 67 percent of the population favored a reduction. The highest rate of voters who favor holding presidential elections this year was registered in Rio de Janeiro (41 percent). Curitiba and Recife showed the greatest support for a 6-year term for President Sarney (32 percent). The idea of a 4-year term had the most support in Brasilia (40 percent). In Sao Paulo, only 5 percent agreed with Ulysses Guimaraes, president of the Constituent Assembly, that the president should serve for 5 years, and 23 percent felt the mandate should be reduced to 4 years, while 28 percent supported a 6-year term. Orestes Quercia, aged 48, governor-elect of Sao Paulo, reiterated yesterday that he favors a 6-year term and said that the presidential election should coincide with the congressional elections. He added that he thinks "it would be well for the PMDB [Brazilian Democratic Movement Party] to come to a decision" on this matter. "The PMDB is very much divided. Some want 4 years, others want 5 and still others want a 6-year term. It would be better if the party would make up its mind. The PFL [Liberal Front Party] is more unified."

(Details on pA-6 [following])

## 70 Percent in Eight Capitals Favor Shorter Term

(Some 37 percent of the population in the nation's major capitals (Sao Paulo, Rio de Janeiro, Belo Horizonte, Brasilia, Salvador, Recife, Curitiba and Porto Alegre) would argue for presidential elections this year. Only 26 percent of the inhabitants favor a 6-year term. The performance of the current president is considered the same as or worse than that of former President Joao Baptista Figueiredo by 52 percent of the population in the eight capitals; 45 percent think the present administration is better than that of Figueiredo. Jose Sarney completes the first 2 years of his presidency today.)

Some 70 percent of the population of the country's eight major capitals argue that President Jose Sarney's mandate should be reduced. The weighted average in the eight cities surveyed indicates that 37 percent of the inhabitants feel that presidential elections should be held as early as this year, whereas 26 percent prefer a 4-year term and 7 percent would like Sarney to serve for 5 years. Only 26 percent favor maintaining the 6-year mandate stipulated in the present constitution.

Regarding the presidential performance, 52 percent of the population of these cities think the Sarney administration is the same as or worse than that of his predecessor, Joao Baptista Figueiredo. On the other hand, 45 percent believe Sarney's administration is better than that of Figueiredo.

These are the results of a survey conducted by the Data FOLHA on 10 and 11 March in the cities of Sao Paulo, Rio de Janeiro, Brasilia, Belo Horizonte (Minas Gerais), Curitiba (Parana), Porto Alegre (Rio Grande do Sul), Salvador (Bahia) and Recife (Pernambuco). Interview were conducted with 3,759 respondents 18 years of age or older, [in a sample] stratified by geographic zone, the socio-economic level of the region, sex and age.

### Term

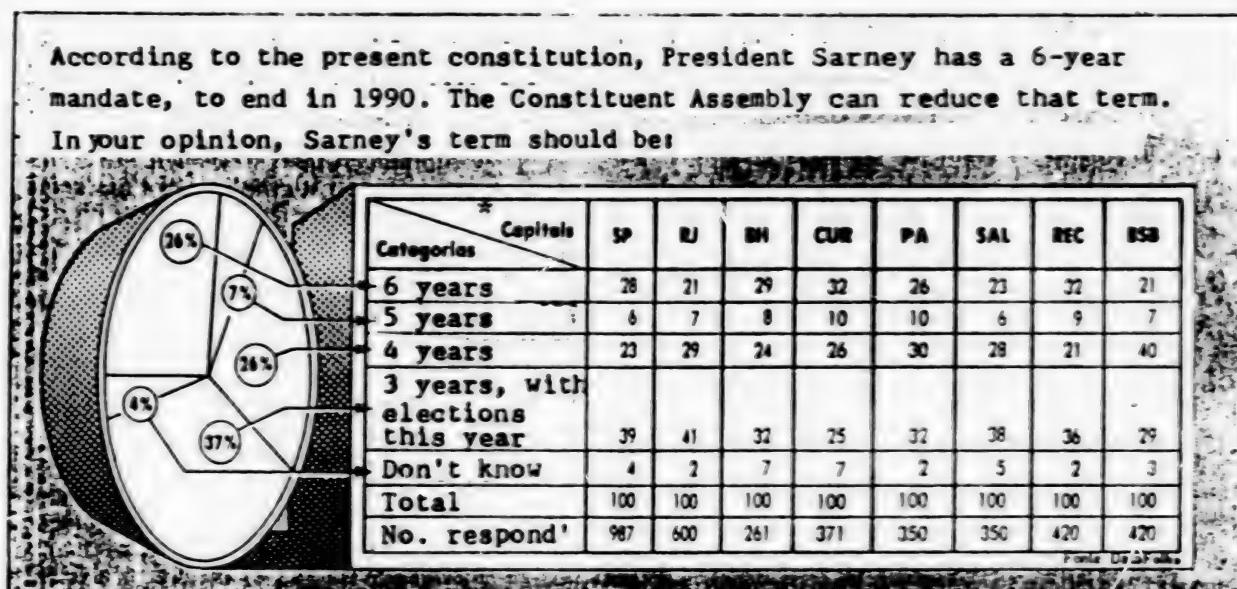
Rio de Janeiro and Brasilia had the highest percentage of respondents favoring a reduction of the presidential mandate (77 percent and 76 percent, respectively). The lowest rates were in Curitiba (61 percent) and Belo Horizonte (64 percent). Sao Paulo had a rate of 67 percent.

The city with the largest percentage of voters favoring presidential elections this year was Rio de Janeiro (41 percent), followed by Sao Paulo (39 percent) and Salvador (38 percent). The smallest percentage (25 percent) was registered in Curitiba.

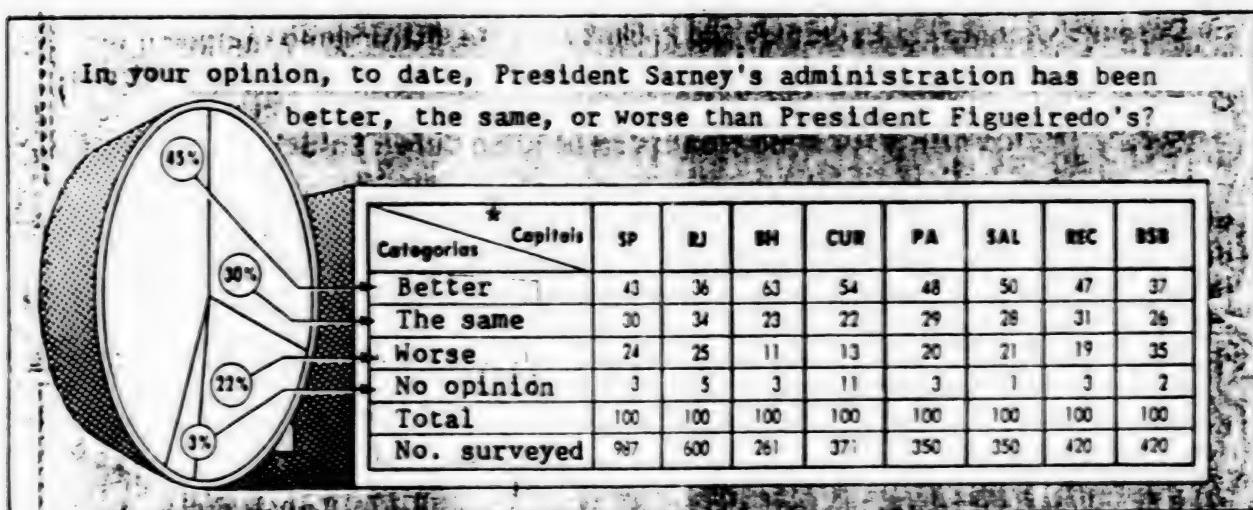
The Parana capital, along with Recife, also showed the greatest support (32 percent) for a 6-year term for President Sarney. The idea of a 4-year term for Sarney had the most support in Brasilia (40 percent), followed by Porto Alegre (30 percent).

In Sao Paulo, only 5 percent of the respondents agreed with Ulysses Guimaraes that the president should serve for 5 years, while 23 percent supported a reduction to a 4-year term and 28 percent supported a 6-year mandate.

**Graph 1. Response to Survey Question on Length of Presidential Mandate, in Percentages by State Capital**



**Graph 2. Response to Survey Question on Sarney's Performance To Date, in Percentages by State Capital**



\*SP -Sao Paulo; RJ - Rio de Janeiro; BH - Belo Horizonte; CUR -Curitiba;  
PA - Porto Alegre; SAL - Salvador; REC - Recife; BSB - Brasilia

## **Assessment**

The most favorable assessment of the Sarney government when compared with that of Figueiredo was registered in Belo Horizonte: 63 percent of the population believe that the present president's performance is superior to that of his predecessor. Rio de Janeiro had the highest percentage of respondents who see the two governments as on a par (34 percent). The federal capital was most disappointed in Sarney's performance: 35 percent think his administration is worse than that of Figueiredo.

In Sao Paulo, 43 percent feel that the Sarney administration is better, 30 percent feel it is the same and 24 percent feel it is worse than Figueiredo's government.

## **No Opinion**

The number of respondents with no opinion on the two survey questions was limited. Regarding the length of President Sarney's term, Belo Horizonte and Curitiba presented the largest percentage (7 percent) of respondents who would not voice an opinion. The smallest percentages of non-responses were in Recife, Porto Alegre and Rio de Janeiro (2 percent each).

Regarding the comparison between the Figueiredo and Sarney administrations, Curitiba had the largest percentage (11 percent) of respondents who did not have or did not wish to voice an opinion. The smallest percentage of non-responses was in Salvador, with 1 percent.

The scientific scheme for the FOLHA survey was designed by Reginaldo Prandi, instructor in the Department of Social Sciences, of the University of Sao Paulo. FOLHA's editorial department was responsible for the formulation of the questions and the interpretation of the results. The survey was conducted by Data FOLHA, under the supervision of sociologist Antonio Manuel Teixeira Mendes. Gustavo Venturi assisted in the planning and analysis.

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CSO: 3342/112

BRAZIL

'CUT' PRESIDENT ON TALKS WITH GOVERNMENT, STRIKE PLANS

Sao Paulo FOLHA DE SAO PAULO in Portuguese 6 Apr 87 p A-6

[Text of interview with Jair Meneguelli, president of the Sole Central Union of Workers, at the Brasilia airport on 6 April 1987]

[Text] "Mr President, I would like to talk with you," Jair Meneguelli said, during the only moment he had alone with President Jose Sarney in the Granja do Torto last Saturday. "There at the CUT [Sole Central Union of Workers], the people are thinking that you think we are worse than the devil." Sarney smiled, looking embarrassed, as Meneguelli continued: "Our request for an audience was not met and we did not even receive a reply..."

For the first time, Jair Meneguelli, 39, president of the CUT and commander of the major strikes in the country, was speaking directly to President Jose Sarney, aged 56.

"You know, Meneguelli, you asked for an audience on Sunday, the 18th. [The 18th did not fall on a Sunday.] I thought you were having some fun with me..." Disconcerted, Meneguelli admitted there had been a mistake. However, since the climate was cordial, Sarney said he would receive the CUT any time.

"Listen, Mr President, we are not trying to destabilize your government," the labor leader declared. "We may disagree with you, we make take firm stands. but it is not our intent to destabilize your government." It was suggested that they wait a few days and a new meeting would be scheduled.

Just hours later, in an interview with FOLHA at the airport in Brasilia, [Meneguelli] said that "personally," he feels the CUT should continue to dialogue with the president. "We can make a contribution in the form of some CUT proposal, but this is not going to mean any compromise on our part," he added. The justification offered by the labor leader did not obscure the point, however: the CUT accepted the government's invitation and the dialogue was opened. Following is the interview with Meneguelli.

FOLHA: What did this meeting with the government mean to you?

Meneguelli: I came away completely disillusioned. The president has already met the demands of the farmers; the demands of the businessmen have been met.

We read in Funaro's speech about a new plan to allocate 15 billion cruzados for public works. We expected, at the very least, that the minimum needs of the workers would also be met. Obviously, I was under no illusion that all 19 items on the CUT list which we presented would be met, but to come away with no answer at all was really too much. After all, the list had been presented almost 2 months ago.

[The president] said he might consider some items; he sent the others to the Constituent Congress, as if there were some notion that the Congress was going to resolve something.

FOLHA: But the dialogue with the government will continue?

Meneguelli: It is my understanding that there are even some points on which we could contribute something, in the form of a CUT proposal. But, regardless of our meetings, we are not going to give up our principal task, which is to organize the working class, because this is the only way we can win our demands.

FOLHA: The government feels that the CUT only grows by calling strikes. Does organizing the working class mean calling strikes?

Meneguelli: We do not strike for the sake of striking. In all the strikes, there is always a list of demands--in all the categories. This is true both inside and outside the CUT bloc. We are witnessing historic movements in job categories which have not struck for 40 years. There is not a single case in which a category has struck first and then asked for negotiation. The strike is always the result of the failure of a negotiation. What these people refuse to see is that the strike is a legitimate tool of the working class. Now, the growth of the CUT is because of its consistent stand in defense of the aspirations of the workers. We have always sought the path of dialogue. What we will not tolerate is being humiliated. If we call more strikes, it is because we have a greater commitment to the working class. Therefore, we will never stop striking when it is necessary.

FOLHA: Has the CUT abandoned its plan to call a general strike this year?

Meneguelli: We believe the conditions are there to call such a strike, because the working class is experiencing tremendous problems just now. We are being driven into the slums. The average wage of well-placed employees in assembly plants in Sao Bernardo do Campo--Brasil's industrial pole--is 6 000 cruzados. Well, if the rent for a small house (bedroom, livingroom, kitchen and bath) is 4,000 or 5,000 or 6,000 or even 9,000 cruzados, how are they going to live? The only thing in the country that is still controlled--frozen--are wages. There have been increases of up to 400 percent in the cost of medicines. This means that we can't even get sick. Meanwhile, billions of dollars are being sent abroad. If things don't change, you will see a lot of strikes out there and, quite possibly, a general strike.

FOLHA: Did you sense this same position in the labor leaders who were with you at the Granja do Torto?

Meneguelli: I think that if the labor leaders are ethical, they could be discussing the fact that, at least, they are hiding the truth from the working class.

The Brazilian labor movement is, at the very least, behind the times. But I believe that men can mature, even when they are such old leaders. At the meeting, all they did was discuss issues pertaining to their own categories.

FOLHA: At the meeting, you said the country seems to have two constitutions; one for the businessmen, large landowners and politicians, who are innocent until proven otherwise; and another for the CUT, which is guilty of everything until proven otherwise. Aren't you applying the rules of this other constitution to the government as well?

Meneguelli: I told the president that I think the government is behaving deplorably, accusing the CUT of everything, exposing us to public excoriation and continuing to do so even when proven wrong. Now, when we blame the government for its lack of attention to the workers, this is not just with regard to the list of demands which we presented in February. These demands are older than the CUT, older than Jair Mengeuelli and older than President Sarney. If he had the political will to reach an understanding, he would already have presented some reply in today's meeting (Saturday).

FOLHA: The government intends to draft a minimum program for government, a "socioeconomic agenda." The minister-chief of the civilian household is talking about a plan of national unity, which the government would execute with the concurrence of all the people. Would the CUT participate?

Meneguelli: First we are going to evaluate it in the CUT executive. On Wednesday, here in Brasilia, we will have a meeting in the CNTI [National Confederation of Industrial Workers] to decide what should be done. Personally, I think we should converse more; we should continue these meetings. It is one thing to have a meeting with a minister, who then speaks to the president and waits for God knows how long to bring back a reply. It's another thing to speak directly with the one who makes the decisions. The minister could even be there, too. Now, to the extent that we perceive all these maneuvers as simply a way of playing for time, we will have no shame whatever in cutting off the discussion.

FOLHA: At the meeting, the president acknowledged the errors in the Cruzado Plan and said he was poorly informed. How do you assess the president's self-criticism on this point?

Meneguelli: It was an admission of error. Funaro said the same thing in the Congress. This is the least that could be expected. It is not enough to admit the error. It is necessary to correct it.

FOLHA: To correct, is it necessary to replace the minister who made the mistake?

Meneguelli: I think not. There have already been so many changes of president so many ministers, and this has not solved anything on our side. Either they change the economic and social policy--without rhetoric--or they will have to go on fooling the public by changing the individuals. It may come as a surprise to hear me say this, but Delfim Netto is a highly competent professional. But he won't do as minister because his goals are not the goals of the workers.

FOLHA: This reasoning--that it is futile to keep replacing people--does it apply to the president as well?

Meneguelli: Certainly. Although direct elections at all levels are extremely important, there is no direct election that is going to solve the problems of the workers. Our position is to support everything that is done to further democracy.

FOLHA: If President Sarney were able to surmount the economic crisis within the "government of national unity" which Marco Maciel is proposing, will he have the CUT's support to finish out the 6 years of his mandate?

Meneguelli: I am against the 6-year term, for anyone, no matter who he may be. A 4-year mandate is the ideal.

FOLHA: Isn't it too much to change presidents every 4 years?

Meneguelli: It is too much change when the government does not make plans beyond the next day. These people only think about curing the immediate ills. A change of presidents does not necessarily mean that everything must change.

FOLHA: The government advocated the elimination of the obligatory union contribution--in the form of Convention 87--to make the union movement look more to its internal problems. Will the CUT advocate union autonomy, even though this will be financially harmful for the unions?

Meneguelli: Why not? We are going to press for its approval. Autonomy is a sacred principle. They say that all the small unions will be broken up, but the European labor movement survived this phase. They broke away and they grew. History shows that a union is not a building with an administrative staff and a legal department. A union is the workers, organized in the work place. For once, the government is right. We are going to have to stop and reorganize ourselves for a while. Possibly, we will turn inward during this period and will not be able to go forward with the political and economic struggle. But the principle of freedom to organize ourselves without government interference must prevail.

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PARLIAMENTARY SYSTEM PROPOSALS MAINTAIN PRESIDENTIAL POWERS

Article by Sao Paulo FOLHA DE SAO PAULO in Portuguese 20 Apr 87

[Text] Up to now, no suggestion sent to the Subcommittee of the Executive Branch of the Constituent Congress, whose main task will be to establish the system of government of the country, has proposed the institution of a traditional parliamentarianism such as that of England, where the queen "reigns" and the prime minister actually governs. Unlike that, the majority of the members of the Constituent Congress reserve a large amount of power for the president.

Thus, Deputies Bernardo Cabral (PMDB-AM [Brazilian Democratic Movement Party--Amazonas]), 54, reporter-general for the Constituent Congress, and Cunha Bueno (PDS-SP [Social Democratic Party--Sao Paulo]), 38, attribute to the president of the republic the exclusive right to appoint the military ministers and the chief of the Civilian Household. Concerned with keeping the armed forces under the command of the president and aloof from the changes in cabinet, Cabral suggests that the military ministers not be subject to a vote of no confidence or censure by the Congress. In that way, they would only leave their positions if they asked for removal from office or were removed by the president. As for the rest, they could be overthrown by the Congress, including the prime minister.

A convinced parliamentarian, Deputy Victory Faccioni (PDS-RS [Rio Grande do Sul]) has already anticipated the possible implantation of the parliamentary system of government in Brazil. In a suggestion sent to the subcommittee, Faccioni proposes that amendments that order the abolition of the Republic, the Federation and parliamentarianism itself, not be subject to deliberation after the passage of the new constitution.

Senator Afonso Arinos (PFL-RJ [Liberal Front Party--Rio de Janeiro]), 81, who presided over the Provisional Committee on Constitutional Studies last year, declared on the telephone last Thursday that he is studying "improvements" to the parliamentarian proposals contained in the draft bill prepared by the Committee. That study is being made at the request of the leader of the PFL in the Senate, Carlos Chiarelli (RS), but Arinos refused to advance what he is going to propose, saying that he still needs some time to finish the work.

The pro-parliamentarian tendency of the Constituent Congress could be evaluated by the behavior of the legislators who still defend the presidential system. Thus, the president of the Constituent Congress, Ulysses Guimaraes, says that Brazil does not yet have an administrative machinery immune to the political changes that the successions of cabinets would cause. As an example he cites FUNRURAL [Fund for Social Assistance and Welfare for the Rural Worker] fiercely competed for by legislators every time the government changes.

However, Ulysses accepts the creation of a "minister of coordination," with the future charter, who would be responsible for liaison between the Executive and the Legislative, having even the right for initiatives of laws and subject to being dismissed by the Chamber of Deputies.

Another advocate of the presidential system, Deputy Konder Reis (PDS-SC [Santa Catarina]), reporter for the 1967 Constitution, who substantially strengthened the Executive to the detriment of Parliament--now says that the ministers should be approved by Congress. Deputy Nyder Barbosa (PMDB-ES [Esperito Santo]) goes even further. His suggestion is that the ministers should also be approved by Congress. However, they could be removed by a vote of no confidence in the Senate by means of a proposal presented by the absolute majority of the Chamber of Deputies.

PMDB Senators Mario Covas (SP), leader of the party in the Constituent Congress, and Fernando Henrique Cardoso (SP), leader in the Senate, also agree already with the parliamentarian theory. However, the two issue a warning: Parliamentarianism cannot be adopted as a solution to the crisis of the time that Brazil is facing. The two also recall that this happened in September 1961, when the Congress adopted Parliamentarianism to allow the inauguration of Joao Goulart as president. Two years later, the country returned to the presidential system and in 1964 the president of the republic was deposed.

Not wanting to wait for the new constitution, Senator Leite Chaves (PMDB--PR [Parana]) presented to the National Congress a bill imposing Parliamentarianism. Many of its items are exact copies of suggestions contained in the draft bill of the Provisional Committee for Constitutional Studies of Afonso Arinos Proposals on Parliamentarianism.

#### Draft Bill of the Provisional Committee for Constitutional Studies

Election of the president: The president and vice president are elected by direct vote by an absolute majority for a term of 6 years. No reelection allowed.

Powers of the president: He appoints and dismisses the prime minister. He sends to Congress the government plans and budget prepared by the Council of Ministers. Dissolves the Chamber of Deputies after hearing the Council of State. Commands the armed forces.

**Appointment of prime minister:** The prime minister is nominated by the president to the Chamber after consulting the majority parties. The Chamber must approve or reject him within 10 days by an absolute majority. If the nomination is rejected, the president will nominate a new person within 10 days. If the Chamber rejects the second name in a period of 5 days, the president can freely name a third person after the Council of State is consulted. The president can also dismiss the prime minister, but must appoint another within a period of 10 days and send the Chamber a message explaining the reasons.

**Prime minister:** He does not have to be a member of Congress. He prepares development and government plans. He presents to the president the names of persons to be appointed or dismissed. He appoints and dismisses the secretaries and subsecretaries of state. He issues decrees and regulations. He gives the Congress an accounting of how government plans are progressing.

**Congress:** By an absolute majority it approves or rejects the prime minister. The prime minister and the ministers may be dismissed by a motion of censure that should be approved by an absolute majority of votes.

**Dissolution of Congress:** The Chamber of Deputies may be dissolved by the president of the republic after consultation with the Council of State if it refuses to provide a vote of confidence requested by the prime minister within a period of 10 days. However, it may not be dissolved in the first and last semester of each legislature. New elections for the Chamber must take place 90 days after dissolution.

**Council of State:** It is made up of the president and vice president of the republic, the presidents of the Chamber of Deputies and the Senate, the prime minister, leaders of the majority and minority in the Chamber, plus six citizens, two of them appointed by the president of the republic, two elected by the Chamber and two by the Senate. The council, among other things, may discuss dissolution of the Chamber and appointment of the prime minister in the case of two successive nominations having been rejected by the deputies.

Deputy Bernardo Cabral (PMDB--AM [Amazonas])

**Election of the president:** The president of the republic shall be elected by direct vote for a term of 5 years, with the right to reelection. There would be no vice president.

**Powers of the president:** He nominates the prime minister. Commands the armed forces. Appoints the military ministers and the chiefs of the civilian and military offices, and the minister of foreign affairs, who will not be subject to a vote of censure by the Chamber.

**Appointment of the prime minister:** The president nominates the prime minister to the Congress, which has 10 days in which to approve or reject him. The second nomination must be approved or rejected within 5 days. When there

is a second consecutive rejection, the president names anyone he wants without the need for approval.

Prime minister: Once a week he is obliged to appear before Congress to discuss matters with it and with the ministers whenever called. He does not stipulate the powers of the prime minister.

Congress: Weekly, the Congress will discuss matters with the prime minister and can call on any minister for open discussions. It is prevented from dismissing the military ministers, the minister of foreign affairs, and the chiefs of the civilian and military offices through a motion of censure.

Dissolution of Congress: It cannot be dissolved by the president.

Council of State: [Not stipulated]

Deputy Cunha Bueno (PDS--SP)

Election of President: The president is elected by Congress by an absolute majority of votes for a term of 4 years, with reelection forbidden. There is no stipulation for a vice president.

Powers of the president: He appoints and discharges the prime minister. He exclusively is authorized to name the military ministers and the chief of the Civilian office. The other ministers are appointed by nomination of the prime minister.

Appointment of the prime minister: The president nominates the prime minister to the National Congress, which must approve or reject him by an absolute majority. If he is rejected, a new name shall be sent by the president in a period of 15 days. If there is a second rejection, the president sends a list of five names. The choice must have absolute majority of votes in the Congress. If there is a third rejection, there will be a call for general elections in a period of 60 days. The Congress continues performing its duties and is not dissolved.

Prime minister: He has the exclusive right to send draft bills and budget bills to the Congress. He gives an accounting to the Congress at the beginning for the previous fiscal year of each legislative session. To insure the continuity of operations of the administrative machinery, the secretary general of each ministry will be a career official.

Congress: The National Congress will approve votes of confidence or censure. However, the vote of no confidence or motion of censure can only be processed if its originator proposes along with it the name of someone to replace the prime minister. A vote of no confidence can be directed only against a minister.

Dissolution of Congress: The National Congress cannot be dissolved. However, if it refuses three consecutive nominations for the presidency of the Council of Ministers, there will be a call for elections in a period of 60 days. The Congress will function until the new officials elected are sworn in.

Council of state: [Not stipulated]

Deputy Geraldo Alckmin (PMDB-SP)

Election of the president: The president shall be elected by direct vote.

Powers of the president: [not stipulated]

Appointment of the prime minister: The president nominates the prime minister to the Congress, which either approves or rejects him by an absolute majority of votes.

Prime minister: No established functions.

Congress: The Congress shall approve or reject the appointment of the prime minister and approve a motion of censure against the Council of Ministers or a minister.

Dissolution of Congress: Through the president or prime minister Congress can be dissolved when there is the approval of a motion of censure. Elections will be held in a period of 30 days.

Council of State: [Not stipulated]

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50 PERCENT OF SAO PAULO RESIDENTS FAVOR PARLIAMENTARY SYSTEM

Sao Paulo FOLHA DE SAO PAULO in Portuguese 19 Apr 87 p A-4

[Text] Half of the Sao Paulo population--50 percent--favors the institution of a parliamentary system of government in Brazil and the majority--61 percent--approves a term of 4 years for the successor to President Sarney. Those are the main conclusions of the FOLHA Poll [DATAFOLHA] performed on the 13th, with 1,044 residents of Sao Paulo over 18 years of age, classified according to sex, geographic zone, age groups and monthly family income.

Initially DATAFOLHA asked those interviewed if they knew the difference between the parliamentary and presidential systems of government. Only 11 percent knew the correct answer, while 78 percent declared they could not tell one from the other. After the reading a short definition of the parliamentary and presidential systems, 76 percent of those who now knew the difference and 45 percent of those who did not know it, declared themselves as favoring the parliamentary system. Sixteen percent of those who now knew the difference and 37 percent of those who did not know it chose the presidential system. Of the total of those interviewed, only 34 percent expressed themselves in favor of the presidential system.

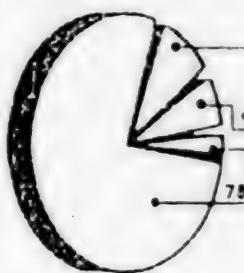
With respect to the term of office for the future presidents of the republic, in addition to the 61 percent who favored a 4-year term, DATAFOLHA concluded that 11 percent want 5 years and 19 percent want 6 years. Those the lowest age group are the ones who showed the greatest rate of preference for the 4-year terms--69 percent of those interviewed between 18 and 25 years of age--with the opinion being shared by the Sao Paulo residents with the largest family income--65 percent among those who received more than 10 minimum wages. Fifty-nine percent of those interviewed express themselves in favor of the right to reelection.

Other Results

Divided by sex, women demonstrated a greater rate of knowledge of the difference between the two systems--14 percent--than men--7 percent. The index of those who say they do not know the difference, however, is very high in the various classifications. It reaches 83 percent among men, 82 percent of those between 18 and 25 years of age, 90 percent among those who receive up to 5 minimum wages and 94 percent of those who finished the first grade. The 5-year term was the least favored at all levels.

**Do you know the difference between the presidential and parliamentary systems of government?**

Total (%)



Categories	Sex %		Age %			Monthly Inc			Education		
	M.	F.	18-25 yrs	26-39 yrs	40 yrs	To 5 M	5-10 M	10+ M	El.	HS	Higher
Correct Ans	7	14	10	10	12	5	9	19	3	11	11
Correct but incomplete	8	11	7	9	11	4	7	18	2	13	24
Incorrect	7	2	1	2	3	1	1	4	1	4	4
Do not know	83	73	82	79	74	90	83	59	94	77	59
Total Interviews	100	100	100	100	100	100	100	100	100	100	100
	(517)	(527)	(208)	(418)	(418)	(339)	(340)	(329)	(577)	(272)	(14)

\* Minimum wage

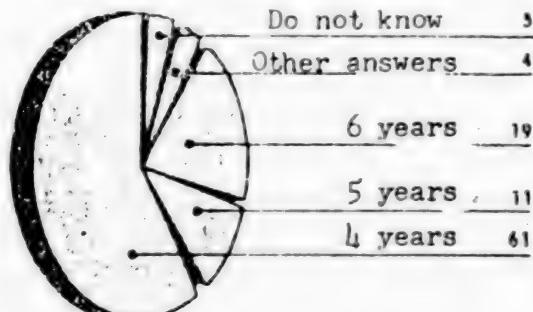
In the presidential system existing in Brazil, the selection of ministers is the right of the president alone, who heads the government with full executive powers. In the parliamentary system, the ministers of state are responsible to parliament, the parliament chooses the party from which the prime minister will come and the prime minister acts as the chief of government with the president. The Constituent Congress is going to decide between these two systems.

Categories	Total %
Parliamentary	50
Presidential	34
Indifferent	6
Do not know	10
Total Interviews	100 (1 044)

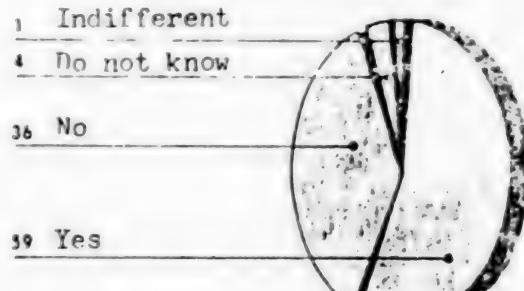
In your opinion, regardless of the term of President Sarney, should the new constitution establish a term of 4, 5 or 6 years for future presidents?

In your opinion should the presidents of the republic have the right of reelection? (Could they be elected for two consecutive terms?)

Total (%)



Total (%)



Fonte: DataFolha

The poll is performed by DATAFOLHA under the direction of Sociologist Antonio Manuel Teixeira Mendes. This survey has as a planning and analysis auxiliary, Sociologist Gustavo Venturi. The subject matter for the poll and the interpretation of the results are provided by the editorial staff of FOLHA.

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MILITARY ANALYZE REBELLION IN ARGENTINA

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Apr 87 p 7

[Text] The minister-chief of the SNI [National Service for Intelligence] General Ivan de Sousa Mendes, declared yesterday that the Brazilian government is following with concern the events involving the Argentine military men who do not accept the punishment of their uniformed colleagues who are accused of violation of human rights. According to the SNI chief, the episodes of the past weekend "demonstrate that the democratic process is not consolidated in that country."

Despite that, the general said that there are no reasons for concern in Brazil, which, in his opinion, is undergoing a totally different situation than that of that country. In that respect, the general observed that the unfolding of events will not have any impact in Brazil.

No to a Coup

In this respect, commenting on the incidents in Argentina, the leader of the PMDB [Brazilian Democratic Movement Party] in the Constituent Assembly, Senator Mario Covas, said that it is necessary "to end for once and for all with the word 'coup' in the country. Brazil adopted a decision, and that is that of the consolidation of democracy."

In turn, the government leader in the Senate, Fernando Henrique Cardoso, will leave for Argentina today, where he will take part in a meeting of the South American Peace Commission.

Brazilian Admiral Defends Legality

Admiral Joao Carlos Goncalves Camina, yesterday supported the defense of legality in Argentina in its efforts at pacification of the country, and he acknowledge the President Raul Alfonsin should emerge strengthened from the incident of the rebellion of the military. The admiral analyzed the Argentine rebel movement during an interview with O ESTADO DE SAO PAULO and JORNAL DA TARDE.

To him and other Brazilian officers interviewed, it is better for Brazil that Argentina have a constitutional and civilian system, just as it is for Argentina that the same thing happen in Brazil.

The admiral, who is a respected strategist in the military area with important books published, acknowledges that the existence of military governments in Argentina and Brazil contributed to the emergence of mutual distrust. He emphasized the mention (made by other Brazilian military men) about Argentine officers who adopted a hostile attitude toward Brazil during military governments, particularly former Vice President Isac Rojas (now deceased), who on various occasions expressed himself against Brazil and sought to create antagonisms between his country and Brazil. Rojas, however, according to military men who studied relations between the two countries, was not, nor is, the only one to adopt a hostile position contrary to cooperation between Argentines and Brazilians.

As for the distrust that military governments cause in the two countries, prejudicing cooperation, not only Admiral Caminha but also other military analysts pointed out the fact that today cooperation between Argentina and Brazil is much more attainable with better prospects than in the period when the two countries were under military governments.

Even in the period of Generals Videla (who was in Brazil), Viola and Galtieri (who received Minister of the Army General Walter Pires with apparent cordiality at Campo de Mayo), and during the Figueiredo government (Figueiredo visited Buenos Aires and sought to encourage cooperation), relationships between the two countries never reached the present level.

According to Itamarati, there are prospects of cooperation in different sectors. The president of PETROBRAS, Ozires Silva, acknowledged that the state company could even participate in prospecting for the exploitation of petroleum in Argentina. There are possibilities of building a gas pipeline connecting Argentina to Brazil across Rio Grande do Sul.

There is also the prospect of cooperation of military interests being expanded. The much promised--by military commanders of both sides--aeronautical cooperation has already begun between EMBRAEL [Brazilian Aeronautics Company, Inc.] and the Military Aircraft Plant (FM). A joint project could also be developed between the two companies for the production of a 19-seat pressurized aircraft.

According to a Brazilian officer who served in Buenos Aires for many years, the political process in Argentine became worse for the military with the defeat in the Falklands war with England. In that conflict, the Argentine Armed Forces demonstrated a lack of professional training that eroded them even more.

According to the same officer, there was a greater political radicalism than that which took place in Brazil. One of the examples of this radicalism was the creation of the Museum of Terror in the midst of Campo de Mayo, which was shown by General Galtieri to General Walter Pires, containing blood stained uniforms, as if it were a matter of trophies from a foreign war.

In the Falklands [as published] War, Argentine military commanders, including General Melendez, appointed to the command of the islands, demonstrated a profound lack of professional training, and an even more surprising lack of strategic and historical vision. The Argentines suffered a dependence on foreign materiel with a lack of technology at an at least reasonable level, and had limitations in mobilization.

Pursuant to a study made by a Brazilian military institution, at some points in the Falklands conflict the imbalance between the professional training of the British soldier and the lack of training of the Argentine soldier was shocking. The latter was not even capable of dealing with weather conditions. Their inferiority was such that the impression was that the Argentine soldiers had been thrown into a conflict whose essential objective was that of insuring the survival of the system of their country. The Argentines appeared to have only their proximity to the area of conflict in their favor. The mobilization capabilities of the British was a factor which, together with their technological capacity and professional training, required a prior and realistic investigation by Argentina before beginning the conflict.

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BRAZIL

RECORD GAS OUTFLOW MEASURED AT URUCU WELL

Rio de Janeiro O GLOBO in Portuguese 19 Apr 87 p 22

[Article by Ramona Ordonez]

[Text] Urucu, Amazonas--The outflow tests were concluded this week at Well 1-LUC-1, in Alto Amazonas, where a major vein of natural and condensed gas has been tapped, leaving the figures registered on the gauges of the SM-1 drilling rig; on Sunday, 14 April, at 1400 hours, in tests conducted using a 1/2-inch aperture, the LUC was producing at a rate of 392,000 cubic meters per day of natural gas and 650 barrels per day of condensed gas, one of the largest outflows yet encountered in wells throughout the country. Condensed gas is simply natural gas which, because of pressure and temperature conditions underground, reaches the surface in a condensed state; that is, refined by nature itself. The gas is transformed into a condense oil, a white liquid with a much higher octane than ordinary gasoline and thus of much higher quality.

To get some idea of the significance of the outflows registered during the tests of LUC-1, let us look at some figures. The outflow of natural gas from the Jurua wells in Alto Amazonas averages 200,000 to 300,000 cubic meters per day, from a 1/2-inch aperture. According to data from the Prospecting Department of PETROBRAS [Brazilian Petroleum Corporation], an outflow exceeding 500,000 cubic meters/day was once recorded at Jurua, but using a larger 3/4-inch aperture. The tests at Jurua did not indicate the presence of condensed gas in any significant amount.

In other regions of the country, such as the maritime field of Pescada in the Potiguar Basin, the gas outflow is about 200,000 cubic meters/day; and in the Pilar field in Alagoas it is about 250,000 cubic meters/day, from a 1/2-inch aperture. In the Lagoa Juruaca field, in Espírito Santo, the outflows average 480,000 cubic meters/day and 200 barrels/day of condensed gas. The largest outflow of natural gas yet encountered was at Foz do Amazonas, at the bore which led to the discovery of the Pirapema field, where the PETROBRAS team measured a flow of 705,000 cubic meters/day of natural gas, from a 5/8-inch aperture.

With regard to the condensed gas, the outflow encountered in Urucu is among the highest in the country, since the largest flows yet registered were 390 barrels/day in the Pilar field and 200 barrels/ day in Lagoa Juruaca. In the

Pescada field, there were some cases of large outflows of condensed gas: 1,400 barrels/day at well 3-RNS-84. Milton Romeo Franke, PETROBRAS superintendent of exploration, explained that a well will often present a high production capacity, although the oil or gas vein is small.

In the LUC-1 area, in addition to the high outflow, the gas- and condensed gas-bearing rock is almost 40 meters thick and covers an area of about 50 square kilometers.

Although PETROBRAS has not discovered petroleum in this new field, which is located 12.5 kilometers from the oil field discovered in October 1987, it is no less important. In addition to the condensed gas, which fetches higher prices on the international market than crude petroleum (about \$3.00 more per barrel), the natural gas is rich, of excellent quality.

"The field has all the conditions to be a commercial success," said Amaro Ferreira Apoluceno, PETROBRAS superintendent of DENOC [Western Amazon Region Exploitation District], who accompanied 20 newsmen from several states on a visit to the LUC-1 test site last weekend. Taking the two fields together, the Urucu area covers about 150 square kilometers and could supply Manaus (650 kilometers distant) with cooking gas (GLP [liquefied petroleum gas]) and natural gas.

Now that the outflow tests have been concluded, operations will soon be initiated to dismantle and transport the 210 tons of test drilling and other equipment which will be used to drill test bore 4-RUC-2, to delimit the reserves in the Urucu region. PETROBRAS administrators and technicians estimate the reserves at as much as 100 billion cubic meters of natural gas--which would double the country's current reserves of 96 billion cubic meters--and 150 million barrels of condensed gas. It will be a year, however, after at least 8 wells are drilled to delimit these deposits, before the state company will have a precise idea of the volume of the reserves, Amaro Apoluceno warned.

The country's dreams of finding petroleum in the Amazon Region have been frustrated for the last 30 years, so now PETROBRAS is eager to go forward and it will spend \$70 billion this year on prospecting in the area. Two seismic teams and one test drilling rig are now in the Amazon Region. After drilling the RUC-1, which led to the discovery of petroleum last year, the SM-1 rig was sent to drill the LUC-1. By June, three more rigs will arrive in the Amazon Region; the SM-8, SC-96 and QG-Queiroz Galvao will drill test bores, at a cost of \$3 million apiece, in the Urucu region.

6362

CSO: 3342/112

## CONSUMPTION OF PETROLEUM BYPRODUCTS CONTINUES TO DECLINE

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Apr 87 p 22

[Text] National consumption of petroleum byproducts in March was 1,008,400 barrels daily, less by 10.65 percent than consumption in January, which was 1,128,700 barrels per day, and maintaining a tendency to decline since October, month in which Brazil consumed the most fuel in its history: 1,430,200 barrels per day including petroleum byproducts and fuel alcohol.

The greatest decline recorded this year among petroleum byproducts was that of gasoline. In January, 156,500 barrels were consumed daily, while in March, that number was 115,800 barrels per day, a decline of 26 percent. There was also a large decline in the consumption of diesel oil, down 16 percent. In January, 395,300 barrels were being consumed every day and in March only 331,900 barrels. The only byproduct that registered a significant increase in the period was cooking gas (LPG), whose consumption increased 6.15 percent from January to March. In March Brazil consumed 127.900 barrels of cooking gas per day, of which a good part, more than 50 percent, was imported. This explains the recent increases in gas of 61.29 percent on 12 February and 40 percent on the 15th of April. These accumulated readjustments represent 125 percent since January, while the average increase in all byproducts was 67.76 percent.

Still to be recorded are the changes in fuel alcohol (hydrated plus anhydrous alcohol added to gasoline), which increased 1.39 percent up to March, going from 186,100 barrels per day in January to 188,700 barrels per day in March, while in 1986 consumption of alcohol increased 34.3 percent when compared with 1985.

The changes in national consumption from January to March compared with the historical average of consumptions of 1985 and 1986, show that there is a considerable change in the tendency to be observed during the year: The only fuels to appear with positive signs are cooking gas and hydrated alcohol, which means that their consumption has been maintaining a trend towards increasing, although smaller, in 1987. Petrochemical naphtha, on the other hand, showed a negative increase last year and it remains negative this year.

All the other fuels appear with crossed signals, positive in 1986 and negative this year. Gasoline, for example, had an increase of 14 percent in 1986 and a minus 26 percent this year. Diesel oil increased 12.7 percent in 1986 and its consumption showed a decline of 16 percent up to now. This is the chart of national consumption of petroleum and alcohol byproducts.

	Jan. 87 1,000 b/d	Mar 87 1,000 b/d	Jan/Mar % of change	85/86 % of change
Gasoline	156.5	115.8	-26	+14.4
Cooking gas	120.5	127.9	+6.14	+8.92
Petrochemical naphtha	139.1	131.2	-5.67	-2.7
Fuel Oil	207.5	196.5	-5.3	+16
Diesel oil	395.3	331.9	-16	+12.7
Aviation kerosene	50.2	44.6	-11.15	+14.3
Total	1,128.7	1,008.4	-10.65	+12.1
Fuel alcohol	186.1	188.7	+ 1.39	+34.3

8908

CSO: 3342/113

## BRAZIL

## CFP ESTIMATES 86/87 CROP AT 65.9 MILLION TONS

Brasilia CORREIO BRAZILIENSE in Portuguese 10 Apr 87 p 15

[Text] The CFP (Production Finance Company) yesterday released the results of the fourth and next to last survey of the nation's principal crops for this year. The estimate is that the 1986/87 crop will reach 65,931,600 tons, not the 68 million tons reported day before yesterday by the JORNAL DA FEIRA, the house organ of the Agriculture Ministry itself. That journal supplied the information to the nation's press before the table of estimates for the grain harvest had been completed.

Table: Brazilian Production of Cereals and Oleaginous Crops (in 1,000 tons)

<u>Products</u>	<u>84/85 (A)</u>	<u>85/86 (B)</u>	<u>% (B/A)</u>	<u>86/87 (C)</u>	<u>% (C/A)</u>	<u>% (C/B)</u>
<b>Cereals</b>						
Rice	8,760.0	9,813.0	12	10,736.4	23	9
Oats	154.3	139.3	-10	139.3	10	-
Rye	3.8	8.9	134	8.9	134	-
Barley	116.7	131.0	12	131.0	12	-
Beans, total	2,533.8	2,244.8	-11	2,342.1	-8	-
First harvest	1,256.6	714.1	-43	945.9	-25	32
Second harvest	1,277.2	1,530.7	20	1,396.2	9	-9
Corn	21,173.9	20,654.1	-2	28,041.0	32	36
Sorghum	305.8	398.3	30	530.4	73	33
Wheat	4,324.3	5,632.8	31	5,632.8	30	-
<b>Subtotal</b>	<b>37,372.4</b>	<b>39,022.2</b>	<b>4</b>	<b>47,561.9</b>	<b>27</b>	<b>22</b>
<b>Oleaginous</b>						
Peanuts, total	328.8	212.6	-35	203.7	-38	-4
First harvest	254.4	151.9	-40	156.0	-39	3
Second harvest	74.4	60.7	-18	47.7	-36	-21
Castor beans	393.0	272.0	-31	145.3	-63	-47
Soybeans	18,211.0	13,500.0	-26	16,760.5	-8	24
Cotton seed	1,832.7	1,624.8	-18	1,260.4	-31	-22
<b>Subtotal</b>	<b>20,766.0</b>	<b>15,609.4</b>	<b>-25</b>	<b>18,369.7</b>	<b>-12</b>	<b>18</b>
<b>Total</b>	<b>58,138.4</b>	<b>54,631.6</b>	<b>-6</b>	<b>65,931.6</b>	<b>13</b>	<b>21</b>

"When I read the reports appearing in the newspapers, I was shocked. We were not in a position to contest them at the time, because the survey had not been completed. At 1500 hours, the estimates were completed and the correct figure is 65.9 million tons," said Edson Lemes, chief of the Crops Division of the CFP, in a press conference granted yesterday. He commented that, in this year's harvest, soybeans and wheat are showing the greatest gains in productivity, particularly in Mato Grosso.

The estimates for this year's harvest are 28,041,000 tons of corn, 16,760 tons of soybeans, 10,736 tons of rice and 2,342,000 tons of beans. These figures are much higher than the last harvests. In 1984/1985, the grain harvest came to 58 million tons and the 1985/86 grain harvest came to 54 million tons; in other words, this year's crop should exceed last year's harvest by 11.3 million tons [figure as published]. The final data will be released in April and, according to Edson Lemes, the total 1986/87 crop will be between 65 million and 66 million tons.

At this time, 55 percent of the cotton crop, 32 percent of the rice crop and 30 percent of the corn crop have already been harvested.

6362  
CSO: 3342/112

## BRIEFS

EXPORTS TO IRAQ--Brazil, through the mediation of Volkswagen, is closing a contract with Iraq whereby the country will export foodstuffs, raw materials and 100,000 automobiles valued at \$1.16 billion in exchange for an equivalent value in petroleum, but at prices below those of the international market. That agreement, which is in the final signing phase, involves Volkswagen, INTERBRAS [PETROBRAS International Trade, Inc.], PETROBRAS and the Iraqi government, and should become effective in September and last for 10 years. With respect to the Volkswagen Company with headquarters in Sao Bernardo do Campo, it will send more than 100,000 Passat to Iraq (in past years it already exported 150,000 automobiles to the Middle East country) plus spare parts for a value of \$580 million. INTERBRAS will export products not yet defined, such as meat, with a value of more than \$580 million. In exchange, the Iraqi Government will deliver 3 million tons of petroleum to this country, to be handled by PETROBRAS, which will obtain a good advantage from the deal: The petroleum will cost \$18 per barrel, although the company has been paying \$21. [Text] [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 16 Apr 86 p 22] 8908

CSO: 3542/87

REPORTAGE ON POLITICAL SITUATION, EXILES

Paris LE FIGARO MAGAZINE in French 14 Mar 87 pp 128-134

[Interviews with Gen Augusto Pinochet at his Bucalemo residence, by Eric Brissaud, date not given, and Carlos Altamirano, former secretary general of the Chilean Socialist Party, by Julio Donoso; date and place not given]

[Text] Coming out from behind their sandbags, two soldiers aim their machine guns at our car and ask for our passes. The Renault 20 parks on the grass near the two Army Puma helicopters. The walkie-talkies crackle; security is heavy. Then he arrives, his Mercedes escorted by four motorcycle policemen in white.

Gen Augusto Pinochet has traded his suit and tie for matching beige trousers and jacket. He greets me with a simple "Buenas tardes!" and invites me to climb on board.

He is no longer the same person. Two hours earlier, he had met with me at the presidential palace, the Moneda, and, half smiling, half provocative, challenged me:

"Why don't you come to Bucalemo to share my first day of vacation? There you can see whether I'm really an ogre!"

The arrival is scheduled for 1800 hours. At 1758, he looks at his watch and says to his aide-de-camp: "We arrive in 2 minutes."

Ahead of time is not on schedule; behind time is not on schedule. Proud of the punctuality of his aides, he tells me to look out the window.

I had expected a sumptuous hacienda. Rather, I saw a low house built around a patio teeming with bougainvilleas. I found the president in a living room that smelled of wax. He was playing on the floor with Paula and Francesca, his two granddaughters. Was it a scene arranged for the European journalist?

"I have to leave you now. The adults have things to talk about."

The aide-de-camp opens the door to the dining room. Under a monumental painting commemorating the Spanish conquest, a table is loaded with pastries and freshly peeled fruit.

[Question] What is the significance of the Pope's visit for you?

[Answer] Everyone here is very religious. As for myself, I am a practicing Catholic. God united the Chilean people; He is the source of the nation. Unfortunately, I see that the Church is in the process of splitting. On the one hand, you have the traditional concepts and on the other, a Marxist deflection of the Christian message, the famous theology of liberation. I cannot accept that. The true theology studies God. The theology of liberation studies collective man. It is more than a deflection. Religion in its purity is opposed to Marxism, but those who have adopted the theology of liberation bear the seed of their own destruction in themselves, by turning Catholicism into revolutionary materialism with a moral pretext. Few people in Europe understand that the theology of liberation, which invokes Christ in order to bring about the revolution, is not an elevation of the spirit, but a manipulation of minds. Few people in Europe realize what is going on here.

[Question] What about the Pope?

[Answer] I consider him first of all to be the messenger of peace. Do not forget that he helped find a solution to the difficult problem of the territories in the far south, claimed by the Argentines. And simply because of the peaceful solution to that problem we have a debt to His Holiness the Pope. We, the Chilean Government, therefore decided to invite him.

[Question] And do hope to have a trip without incident?

[Answer] We have taken every possible measure so that he may spend a peaceful week here. There are measures of all kinds. But if there are people who want to take advantage of his coming to criticize the government, whether politicians or others, then so much the worse! I think that the Pope is sufficiently well-informed to realize by himself the way things happen here.

I will go to greet him officially, then we will have a talk and I will again go to say farewell when he leaves. But I am mainly aware, naturally, of the spiritual effect the presence of His Holiness will have. He has a profound vision that he has shared with great clarity, a vision of the dangers represented by the miserable ideologies based on hatred, lies and death, for the sole purpose of subjugating free peoples.

[Question] You recently promised liberalization measures, particularly the return of exiles.

[Answer] That was necessary. We had to set a fundamental course and gradually normalize. I did not want to renew the state of emergency in regions where it had been applied. As for the persons forbidden to return to our country and to show the spirit of national unity that moves us, I wanted the government to adopt measures enabling them to return. But we shall maintain exile of those who represent a serious threat to public life in our country.

[Question] How many returns are you authorizing?

[Answer] A series of eight to ten lists will be submitted by the minister of interior to a committee, which will decide on the return of those exiles.

[Question] Do you not fear the return of certain persons? (He immediately cuts me short.)

[Answer] If I am authorizing their return, it is because I am sure we can control them. You know, the people who live here in Chile are tired of all the terrorist actions and the confrontations they entail. In addition, I have decided to submit a bill to the legislative committee that will permit a 1-year pardon for convictions already pronounced by the courts. Finally, the bill on political parties is about to go into effect.

[Question] Are the foreign countries truly satisfied with these measures?

[Answer] On the one hand, they believe they are good measures, but they would still like us to leave the door completely open, even for those who have committed serious actions against Chile. Coffee or tea?

[Question] Coffee. And what about French domestic policy: How do you view it?

[Answer] Well, it is quite complex. On the one hand, you have the president and on the other, the Legislative Branch, what you call "cohabitation." That is something I can understand, but in which I do not truly believe. In a couple, if the woman thinks one thing and the man another, then the marriage will not last a year. Furthermore, the measures taken by Chirac have been blocked by Mitterrand.

[Question] Abroad, it is thought that Chile is not a democracy.

[Answer] Everyone is for democracy! I am also a democrat, with a few reservations. Communism does not accept democracy, but democrats accept communism. So I think that it is better to be careful if you do not want them to take control of the country. That is what we did with the 1980 Constitution. Our country is not subject to totalitarian oppression, that of the communists that destroys everything in Nicaragua, Afghanistan and Cuba.

[Question] Does Chile's geographic situation, its isolation between the Pacific and the Cordillera of the Andes, explain its recent history?

[Answer] There you are bringing up the central question to an understanding of the Chilean people, their specificity, their homogeneity, their spiritual and moral background, that mixture of stoicism and fondness for work that characterizes them. Our geographic situation has had a positive influence, placing us in an old position of difficult access. We have therefore received few migratory currents, which explains the homogeneity to which I was referring. Our situation in a rather temperate region has also contributed to our character. Do not forget that Chile has very few natural resources and that those it does have, such as copper, require a great deal of work to be extracted.

We are a people of miners, farmers and fishermen and none of those activities is easy. Over the centuries, we have learned that well-being is obtained by work. This has made the Chileans a fighting, patriotic and serious people. You can easily verify this by looking at our national history. And we also know that our future depends on the effort of every Chilean. Our great strength is that national character based on very solid principles and values.

Our major concern is to pass all of this on to the coming generations. If one does not understand this, one cannot understand our radical rejection of Marxism-Leninism and our desire to protect ourselves from it, at any price, as long as necessary. History will recognize this effort by Chile. When they tried to impose a totalitarian organization on us that was contrary to the national feeling, the country rose up and defended its cultural integrity, as it always has.

[Question] Do the new generations truly share those feelings?

[Answer] Justice and social solidarity are a duty at all times, not an intoxicating and sterile slogan. And the 1980 Constitution responds to those aspirations of young people. It defines the family as the basic unit of society and guarantees parents the freedom and choice of education of their children. It recognizes all rights of the human person, freedom, equal opportunity in participation in national life, beginning by the right to life. That is why we punish the crime of abortion.

Next come the more complex personal rights and freedoms: of religion, education, economy, work and the right to own property.

[Question] Are you satisfied with the economic results obtained under this system?

[Answer] The international recession and its repercussions on the price of copper affected us a few years ago, but our political stability enabled us to overcome those difficulties. The latest statistics indicate that unemployment has dropped to 10.2 percent of the active population, which is the usual level in our country. Over the past 3 years, our GNP increased 18.1 percent and last year alone, our exports rose by nearly 11 percent. The average standard of living has therefore once again begun to improve, with an actual increase in wages, although the gradual reduction in the deficit in the public sector has made it possible to lighten the burden of the debt. The coherence and quality of our economic policy have also led international financial organizations to support our development program, which makes it possible to speed up our economy's recovery.

Here, we are at the beginning of summer. In your country, it would be the season of the cauliflower.

[Question] What does your French ancestry represent for you?

[Answer] It goes back to the end of the 17th century, with the arrival in Chile of one Guillaume Pinochet. I believe I belong to the eighth generation

of Chilean Pinochets and from the very beginning, we fit into the mores and customs of the country, so that that French ancestry has now only historical interest. Furthermore, I know no family in France.

[Question] Do you believe that a Latin American common market could one day exist?

[Answer] Latin America is a continent with great economic potential. Its natural resources are immense and for some time now, Latin American countries have achieved an excellent scientific and technical level. However, such a common organization could not operate with diametrically opposing economic systems and unstable and deteriorating systems. Nevertheless, like all Chileans, I feel profoundly Latin American, certain of the immense role that our continent could play on the world scene.

[Question] Despite your geographic isolation?

[Answer] Yes, it is true that we are very isolated. Chile is an island at the other end of the world.

That is perhaps why you are so poorly informed....

But as I told you, that isolation has helped our unity. a unity furthered by 400 years of war with the Indians. That war began in 1541!

[Question] Some blame you precisely for continuing that war against the last Indian tribes.

[Answer] They should not! Peace belonged to the last century! Do you know what the Indians have nicknamed me? Tauki, the supreme chief. When I go to Tabuco, I enjoy the right to the grand ceremony of the Indian chief with Tauki's dress. What did I do? I normalized the division of their land and supplied all Indian communities with farm implements. The result: They have increased their production, their livestock.

[Question] You authorized the Americans to expand the Easter Island airport for possible emergency landing of the space shuttle. You are also criticized for that.

[Answer] Work is already well underway. That agreement made it possible to launch space cooperation between our two countries, with a real technological transfer. It will enable Chile to participate in projects of the greatest importance.

[Question] And yet, the Easter Island natives oppose it.

[Answer] The discontent of some Easter Island natives is unjustified, without grounds. We help them; we send them a full shipment of food twice a year. Before our arrival, they had leprosy there. We took all the proper medical measures and bought them a complete, turnkey hospital from the United States. But that is typical for backward people. They talk and talk and always complain about something!

Did you know that on the day of the attack on 7 September, my grandson was in the car? He is 10 years old. But after all, that is part of the past.

[Question] Is your calm nature the result of your military training or the Chilean character?

[Answer] Both. Military training is always serious, but I am very cheerful with my family and happy with my friends. You will learn a great deal about the Chilean character through our humor. We combine the French, English, German, Spanish and Italian humor! That makes a great deal of humor for the 12.25 million Chileans scattered over 741,000 km<sup>2</sup>. We also have another national trait: courtesy. At a restaurant, you will rarely see anyone answer you rudely. We always try to be friendly, without the slightest arrogance toward the one serving. We respect any form of work and if we see a worker mistreated, we immediately react.

(He adds, visibly proud:) That is the Chilean spirit!

The sun casts long shadows over the garden around the house.

"And now my children are asking for me," he says.

A quick "Buenas noches," then a last wink:

"So you have seen it, the ogre's house!"

#### The Exiles

Following the coup d'etat in 1973, a little over 10,000 Chileans left the country. Over the years, 7,000 have been authorized to return, but less than 2,000 have taken advantage of the fact. During the first 2 months of this year, 1,200 persons were notified that they could now return. At the beginning of March, a new list of 500 names was published. Officially, the definitive lists will be drawn up before 1 April.

#### Electoral Process

General elections are planned for 1989. The first phase in the process leading to the elections is the drafting of election lists. The second, which has just begun, is the legalization of political parties, previously illegal. The process to be followed decided upon by the Chilean Government to arrive at that legalization is complex. First of all, Article 8 of the 1980 Constitution immediately excludes groups that preach the class struggle or profess doctrines contrary to the family. Next, legalization is subject to precise conditions of representativeness in all regions of the country, with a minimum number of members officially registered. The government's purpose is manifestly to prevent a splintering and encourage the creation of major political groupings.

According to the representatives of the Chilean opposition in France, who admit a certain "disarray," the situation could be as follows: The Communist Party and the People's Democratic Movement that it controls are not seeking

to take advantage of the legalization. The rightest parties would form a vast conservative federation, but certain groups such as the National Party are still hesitating. For their part, Christian Democrats could form an alliance with the Social Democrats, while various small leftist parties are part of a new federated party.

#### Political Prisoners

The Chilean Government recognizes the presence in its prisons of 403 prisoners arrested for violations of state security and organizations such as Amnesty International accept the validity of the figure. The conflict essentially deals with their status. The government does not consider them political prisoners, but terrorist guilty of attacks or weapons trafficking. They therefore do not enjoy any special status and are mixed in with the 21,000 common prisoners.

#### Censorship and the Press

Since the state of siege was lifted, censorship has no longer officially existed. There are about a dozen opposition periodicals in Chile, over 40 opposition radio stations and the four television channels that come under the universities. Freedom is nevertheless not total. Juan Pablo Cardenas, editor in chief of the leftist ANALISIS, was recently convicted of contempt of the chief of state. He continues to head his periodical, but must return to prison at 1900 hours every night. However, he has obtain authorization to go to France on 12 and 13 February to participate in a seminar on the press in Chile, organized in the Senate by the socialist group. On that occasion, Jean-Luc Melenchon, senator from Essonne, while refraining from "drawing a caricatural parallel," compared the situation of the press in Chile to that of the audiovisual media in France.

In addition, for the coming visit of the Pope, it is the Chilean Episcopal Commission that issued 3,000 accreditations, without political restrictions.

#### Official Figures

In 1973 the last year of the Allende experience, the rate of inflation rose to 850 percent.

In 1986, inflation was 17 percent, the best result in 20 years (with the exception of 1980).

In 1973, per capital income amounted to \$1,240. Last year, it was \$1,950. During that period, the Chilean population went from 9 to 13 million.

In 1986, unemployment dropped to below 10 percent, despite the elimination of 100,000 "government jobs" (analogous to the French TUC). In 4 years, the rate of unemployment was cut in half.

The foreign debt amounts to \$20 billion, or \$1,600 per person, which places Chile in third country among Latin American countries in debt.

In 1986, that debt dropped by \$1 14 billion in real terms. Thanks to the reimbursement-reinvestment system proposed to foreign creditors, these funds repaid in pesos, were totally reinvested in the Chilean economy contributing to the creation of 160,000 jobs in a year.

The net growth of the GNP in 1986 was 5 percent. Exports rose 12 percent and the trade balance achieved a surplus of over \$1 billion. However, the balance of payments shows a deficit of \$1 billion, a 30-percent reduction compared with the previous year.

The constitution provides that the future president elected in 1989 is to organize general elections of the deputies and senators to make up the Congress. That Congress will go into session 3 months after the elections. Deputies will be elected for 3 years; senators for 3 or 6 years, depending on the region.

Carlos Altamirano

Former secretary general of the Chilean Socialist Party under Salvador Allende, Carlos Altamirano, who fled to Europe in 1974, is not on the lists of exiles whose return has been authorized.

[Question] The Pope's visit comes at a time when, according to Pinochet, the Chilean Church is divided between traditionalists and supporters of the theology of liberation. What is your opinion?

[Answer] That is not true. The vast majority of the Catholic Church is united in its desire for peace, harmony and democracy. It is the Church that has taken the principal action to defend human rights. It is the Church that has spent the most to reach political agreements aiming at a peaceful solution between the dictatorship and the opposition. Such was the case of the "national accord" that goes from the republican right to the socialist left. To evoke a radical conflict between "traditionalists" and "revolutionary materialists" is a vulgar distortion of reality and another offense against the Chilean Church, which has had to endure assassinations, torture, imprisonment and the deportation of many priests, particularly the death of Father Jarlin and the deportation of Father Dubois. If a leftist government acted in such a way, what would they not say?

[Question] Within such a context, is the Pope's visit timely?

[Answer] Of course. First of all, because Chile is the only country in Latin America he had not visited, precisely because of the situation created by the Pinochet regime. The visit is positive because the regime has been forced to make certain concessions, such as amnesty for a number of exiles.

[Question] Does that not risk legitimizing the regime?

[Answer] No. No one believes that the Pope is coming to back a shameful dictatorship. Nor does anyone doubt that it will be the occasion for powerful demonstrations against the dictatorship. Consequently, the visit is extremely positive.

[Question] Do you believe that the opening up of the election registers and the new status of political parties are concessions to the Pope's Visit?

[Answer] Yes, but not only that. One must not forget the extraordinary pressure, at home and abroad, that was concretely manifested at the time of the renegotiation of the international debt. But it is still a question of concessions that are more apparent than real because in 1989, the Chilean people will only be able to vote in the presidential elections for a single candidate designated by the four generals in the Junta. In other words, it is only a strategem for electing Pinochet and extending his regime until 1997.

[Question] But in the Philippines, Marcos was beaten in the elections. Is that not possible in Chile?

[Answer] The difference--and it is a big one--is that in the Philippines, there were two candidates; not in Chile.

[Question] Pinochet presents himself as a democrat hostile to ideologies based on hatred.

[Answer] One should not expect the slightest coherence from him. He has reached the point of speaking about a "democratic dictatorship" and even a "soft" rather than a "hard" dictatorship. The opposition has published many collections of Pinochet's speeches revealing his incoherence and constituting an inexhaustible source of jokes among the people.

[Question] What about his economic success?

[Answer] The overall record is a disaster. To a certain extent, Pinochet admits it himself, but he places responsibility for it on the price of copper and the world recession. What he forgets to say is that in 1981-1982, Chile experienced a recession of 17 percent, the worst in all of Latin America where the same negative factors existed. He also forgets that Chile has the biggest foreign debt in the world, whether per person, based on the gross domestic product, or exports. Every Chilean owes some \$2,000, compared with \$1,000 for a Brazilian. In 160 years of democratic life, Chile had accumulated a debt of \$4.5 billion. These 14 years of dictatorship have added another \$16 billion.

The balance sheet is a heavy one. Industry is going bankrupt. Some 75 percent of all Chileans survive on under 700 francs a month and the average standard of living is at the same level of 15 years ago. The impoverishment of the middle classes is dramatic and the real rate of unemployment is 20 percent. It is very difficult to find a single backer of his policies among Chilean employers.

[Question] But the regime still has its backers.

[Answer] See for yourself. Chile has had elections, professional elections, in the university, the industrial organizations. No one has ever taken it

upon himself to defend Pinochet's backers. Even the rightist sectors that keep at a cautious distance from the regime do not exceed 15 percent. The most reliable polls credit him with 18 percent in favor, which means that 80 percent of the population is definitely hostile to General Pinochet. General Leigh, former member of the Junta, business executives, former political advisers to the president and leaders of the national right are now openly in the opposition. In 1973, I was the first public enemy No 1 of the regime. His pet peeve is now the American ambassador to Santiago.

[Question] Is the Reagan Administration truly hostile to the Chilean regime?

[Answer] I would not go that far, but it is obvious that Pinochet is an extremely bothersome person for the American Government. One cannot at one and the same time demand respect for human rights and support the symbol of the most odious oppression. For in the final analysis, Pinochet says he came to power to defend the institutions, restore democracy, resolve the economic crisis, guarantee individual and collective freedoms and liquidate Marxism. Look at the results: no other institutions than the Armed Forces, no more Legislative Branch, a totally discredited Judicial Branch, nonexistent freedom, the economy at its lowest level and international prestige that even Marxism and the communism that Pinochet fights could not have hurt worse.

Tencha Allende

Shortly before the Pope's visit to Chile, the dictatorship hastened to take certain measures to favorably impress national and international public opinion: lifting of the state of emergency, the circulation of opposition periodicals and limited authorizations for the return of exiles "who constitute no threat to national security." In my case, for example, I am 72 years old, I am not a terrorist and have no love for violence. Why are my daughters and I considered a threat to the regime?

Likewise, to impress public opinion, the regime has just announced the passage of new political laws: restoration of election registers burned by the military in 1973; the law on political parties. Behind an apparent liberalization, these measures actually subject political parties to absolute control by the military regime. In short, these laws only tend to consolidate and extend the authoritarian system and constitute no progress toward democracy. Pinochet has decided to extend his own power beyond 1989.

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COLOMBIA

NEGOTIATIONS CONTINUE ON CERREJON DEVELOPMENT

U.S. Firms Present Proposals

Bogota EL TIEMPO in Spanish 28 Apr 87 p 2-B

[Text] Yesterday, the CARBOCOL [Colombian Coal, Inc] company received two bids for operating the La Loma coal deposits in Cesar and the El Cerrejon-Central deposit in Guajira from U.S. firms interested in those projects.

For El Cerrejon-Central, the bid was submitted by the community owning that mine and the firm Arch Mineral Corporation, of Missouri, in the United States, a subsidiary of the Ashland Oil Company; and includes the construction of a new coal port in Guajira, to be located at Cabo de la Vela, with a production target of up to 8 million tons starting in the 1990's. Temporarily, Colombia would export that coal through Venezuela (Maracaibo), while the terminal is under construction.

The president of CARBOCOL, Oscar Mejia Vallejo, told EL TIEMPO that the proposal from the community and Arch is the second one submitted. CARBOCOL had several objections to the first one, submitted last year. The new one has been amended, and resolves some of the matters bothering the state enterprise. However, Mejia said that it would be studied in detail, because it is still inadequate.

CARBOCOL must also decide whether the operations contract that the company has with the community is to be terminated or remain in effect. If it should be ended, the community could be authorized to make a contract with Arch, but on the condition that it would not hurt the interests of the community itself, or the country.

EL TIEMPO ascertained that the following points are included among Arch's proposals:

The investment to create the new company to operate the El Cerrejon-Central coal deposits would be \$10 million. Arch guarantees the procurement of the funds for the entire project, and would have 40 percent of the capital. The remaining 51 percent would be national. The system would be one of association.

The El Cerrejon community would receive a production royalty equivalent to 25 percent of the association's profits before taxes, and an advance payment of \$5 million.

Arch would be the operator and the marketing agent. For those services, it will receive \$0.75 per ton, so long as the production is under 1.5 million tons.

Arch would purchase all the equipment and facilities which had been used by the consortium that was operating the mine previously.

The coal for export would be removed through a special port to be built at Cabo de la Vela. The transportation from the mine to that site would take place along the highway running parallel to the El Cerrejon-Central railroad. While the port is under construction, the exporting would be done through Venezuelan territory.

The foreign company pledges to begin production 6 months after the respective contract is signed. That firm's idea is to be producing in 1987, with an initial volume of 1.5 million tons. When the new port is available, about 1990, the production will increase progressively, until it totals 8 million tons per year.

Arch estimates an average price of \$28.20 for that exported coal.

#### At La Loma

As for the coal in La Loma, in Cesar, yesterday CARBOCOL received the respective bid from the American company, Drummond, which will be associated with the Colombian firm, Simesa, in that undertaking.

Mejia Vallejo recently remarked that the idea is to gradually produce from 3 to 10 million tons. The project would require an investment of at least \$400 million. The mine will be awarded through the concession system, but with new features that will give the nation more guarantees. All the coal produced will go to the United States market, based on the Drummond firm's commitment.

Moreover, Mejia Vallejo announced the submission of a bill in July that will make reforms in the National Coal Fund, and will eliminate the mine entrance tax for small and medium-sized mining firms.

#### International Pool Expresses Interest

Bogota EL TIEMPO in Spanish 30 Apr 87 p 2-D

[Text] A pool of international investors specializing in the coal sector may be the potential purchaser of half of the share that the Colombian state has of the El Cerrejon-Norte complex in Guajira, through CARBOCOL.

The president of CARBOCOL, Oscar Mejia Vallejo, confirmed the fact that the sale of part of the El Cerrejon property is one of the methods that the enterprise has planned to cope with the delicate financial situation that will last for several years.

CARBOCOL initially offered that operation to a prestigious Japanese firm, as EL TIEMPO reported on 1 March. Later, companies in other countries expressed the same interest. In view of the size of the investment, a pool will apparently be established.

Mejia Vallejo said that the operation will take at least 3 years, and that Colombia would, at the appropriate time, contract for advice from an international bank to make the respective evaluation.

The high-ranking official cited this point in response to a round of questions and answers during the seminar on energy policy held by the University of the Andes. He explained that, in any event, the purchasers will be definite coal consumers; and hence the transaction will have features totally different from those of the bid that Shell had submitted.

Although that sale ranks as one of CARBOCOL's requirements to refinance itself, Mejia remarked that the operation could have international political implications. Specifically, he noted that the United States might not view it favorably. In general, that country considers El Cerrejon a highly competitive project, and therefore bills may be submitted in the U.S. Congress to establish additional taxes on the coal exports, as he remarked.

If the operation materializes, it would be carried out as he explained to this newspaper at the time: CARBOCOL will create a subsidiary to control the portion of El Cerrejon-Norte that belongs to the state; in other words, 50 percent of that complex, whose assets he estimated at \$3 billion. The subsidiary, in turn, would sell 49 percent of that 50 percent to the foreign investor.

As he observed, CARBOCOL requires capital formation of at least \$100 million per year from now on. In addition, it will have to seek fresh funds abroad, and one of the options most indicated is the sale of that portion.

The enterprise has a foreign debt of \$1.2 billion; this year, it must pay \$100 million. The mere reprogramming of that debt is not a solution, because it would become a kind of "snowball."

Regarding Cerrejon-Norte per se, Mejia disclosed that a major Colombianization of the project has been carried out. This was achieved through an agreement with the foreign partner (Intercor) to establish two different parts with it: one, Intercor, as operator and another, Intercor as owner. He claimed that, in this way, the management of the project is more clearcut. At present, only 200 foreigners are working there, and by the year 1990 the number will be reduced to five.

Furthermore, at his conference Vallejo pointed out the advantageous competition that the project for mass production of natural gas in the central part of the country might have against coal. In this regard, he cited statistics and showed charts to demonstrate the socioeconomic impact that any displacement of coal by gas would have on the Cundinamarca-Boyaca area. However, he expressed confidence that the state will find a way to handle that situation and prevent damage to the coal industry.

2909

CSO: 3348/302

READJUSTMENT OF ENERGY RATES ANNOUNCED

Bogota EL ESPECTADOR in Spanish 28 Apr 87 pp 1-A, 12-A

[Text] Bogota--The government officially established the readjustment of the electric power rates, and made a 4 percent increase starting next Friday, 1 May, in the residential areas of Cundinamarca, Boyaca, Santander, and Nariño, and the cities of Cali, Cartago, and Armenia, for consumption of between 400 and 800 kilowatt-hours per month.

It also authorized a reduction of that same percentage when the monthly demand stands between 800 and 1,600 kilowatt hours in Nariño and the towns in which excessive charges are occurring for users.

For the industrial and commercial areas, a 5 percent increase was established, except for small firms and businesses in the commercial sector, which will continue to enjoy some discounts.

These measures were announced by the executive secretary of the National Rates Board, Francisco Ochoa, who noted that this procedure is intended to gear the billing to the real costs of the service.

He explained that the new figures will not reflect the financial difficulties of the companies in the electric sector, as had been occurring up until now.

The official remarked: "The purpose of these regulations is to give more equal treatment, to the users and the various cities in the country."

Both the increases and the reductions that will go into effect in May are in addition to the monthly adjustment of 1.67 percent that has been adopted in residential areas and of 1.81 percent in the industrial and commercial areas.

The new measures forbid business firms to make surcharges on the rates based on reconnections or installation certification.

These adjustments will be reflected in the June billings, inasmuch as they will be imposed on the May consumption.

2909  
CSO: 3348/302

COLOMBIA

BRIEFS

UNEMPLOYMENT REACHES 13.4 PERCENT--The Office of the Presidency of the Republic announced yesterday that unemployment in the country's four leading cities rose to 13.4 percent during March. In December, the open unemployment (which is the ratio between unemployed persons and economically active persons, in other words, persons working or seeking jobs) in Bogota, Medellin, Cali, and Barranquilla had declined to 12.5 percent. Nevertheless, in April 1986, the date of the information that can best be compared with the present data (although not exactly, if one considers the fact that, a year ago, there was a month's delay in the survey on employment), the unemployment in the aforementioned capitals was 14.3 percent. This means that, during last year, there was a slight improvement in the employment situation. According to the report of the President's Office, between April 1986 and March 1987 192,000 jobs were created in the four cities, and the number of persons employed amounted to 3.069 million. [Text] [Bogota EL TIEMPO in Spanish 25 Apr 87 p 8-C] 2909

CSO: 3348/302

DOMINICAN REPUBLIC

TAKEOVER OF CROP LANDS POSES PROBLEM FOR BALAGUER

Santo Domingo EL NACIONAL in Spanish 29 Apr 87 p 13

[Text] The land invasions in various parts of the country are drawing the attention of major sectors of Dominican life, and on this occasion are showing a different aspect: the statements from certain areas of the Catholic Church opposed to those made by a Protestant Church.

Since he came to power on 16 August of last year, President Joaquin Balaguer has remained in close contact with the peasants of various regions, whom he visits twice a week; and he has repeatedly declared that the land should be for those working on it.

There obviously exists in the country a kind of coordination in the land takeovers, which have cleverly been aimed at state properties, causing some fears in private areas.

The nerve point is apparently Villa Altagracia, where the virtual disappearance of the state sugar mill known as Catarey has left many people jobless. Catarey's land, owned by the State Sugar Council (CEA), has been leased to private firms, both native and foreign, something that has evoked protests from the local peasants, who are demanding the surrender of properties.

Pressure is also being brought to bear on CEA in the northern zone, since the state complex sold to the Central Bank vast areas of Esperanza, which will be used for tourism and agro-industrial projects.

In view of the pressure on CEA land, President Balaguer appointed an official board to stipulate which areas should be turned over to the Dominican Agrarian Institute (IAD) for peasant settlements.

Last weekend, there was a land invasion in Catarey, and the police arrested an undetermined number of peasants.

Following the arrests, the Catholic diocese of Peravia, headed by its bishop, Priamo Tejeda, came out in defense of the peasants under arrest, and expressed solidarity with the petitions that CEA should surrender land from the former sugar mill.

To the surprise of large sectors, Bishop Tejeda and the priests under his jurisdiction asked CEA to cancel the leases to private firms until the peasants from the area had been given their "quota."

Nevertheless, this position is not isolated. It was recently charged that a land invasion in the northern part of the country had been led by a Catholic priest, defended by his diocese after the act.

The Dominican Free Methodist Evangelical Church, for its part, condemned the land invasions, based on a statement from its general superintendent, Reverend Natividad de Jesus Fermin.

Fermin "condemned" the Catholics who are offering their support for the invasions, and said that the government was striving to solve the problems of the farm workers.

Although he described the peasants' situation as alarming, Fermin considered the invasion of state or private land "illegal."

The head of the Ranchers and Farmers Association, Silvestre Alba de Moya, for his part, condemned the invasions of properties, and criticized the fact that "spiritual guides" are encouraging them.

Alba de Moya said that those really occupying land are not peasants, and claimed that, recently, on a visit that he paid to San Francisco de Macoris, he was informed that takeovers were being scheduled.

Persons knowledgeable about agrarian affairs expressed the view this morning that the property seizures must be causing the government concern because, although President Balaguer has called for the intensification of agrarian reform, the programs are not proceeding at the pace demanded; while certain expressions used by the president himself, with the best intentions, could serve as a spur for those who are agitating for the seizure of private and state-owned properties.

The executive director of the Dominican Agrarian Institute (IAD), for his part, condemned the land takeovers carried out in separate acts by peasants in Bani and Villa Altamaria.

The agronomical engineer, Jaime Rodriguez Guzman, remarked that IAD would by no means support such acts, after noting that this agency exists to organize an agrarian reform process in an orderly fashion, in accordance with the laws in effect.

Over 500 men, women, and children occupied land owned by the State Sugar Council (CEA) at the Catarey sugar mill, and invaded some 15,000 properties located in the Catalina section of Bani.

2909

CSO: 3248/315

DOMINICAN REPUBLIC

BRIEFS

FEASANTS SEIZE CEA LANDS--Villa Altagracia--This morning, over 400 peasants invaded thousands of tareas of land belonging to the State Sugar Council (CEA) and located at kilometer 43 of the Duarte freeway. The farm workers, coming from various sites here, and carrying machetes, picks, shovels, and hoes, began entering the properties at 0300 hours in the morning. Members of various peasant associations, the invaders demanded of the State Sugar Council director that they be benefited with peasant settlements, and of the president, Dr Joaquin Balaguer, a series of projects in their respective communities. They claim that, whereas they do not own a single tarea, the Dominican state has leased over 50,000 tareas, at ridiculous prices, to two companies, one for growing pineapple, and another for oranges. Meanwhile, the Cattlemen's Association backed the peasant invasions, commenting that this population is a "powderkeg" that could explode at any time. Eduardo Fontana stressed that the government should intervene as soon as possible in the problems affecting the peasants. Among those problems, Fontana cited repairs on local roads, construction of clinics, the extension of the electrical systems to several rural areas, bridge construction, peasant settlements, and school building. The peasants who started invading the land owned by CEA immediately began the burning of hay and the planting of beans, corn, and other short-cycle products. Peasant invasions have been under way since last week, resulting in the burning of tires, street protests, and the arrests of 211 peasants, who were later released. [Text] [Santo Domingo EL NACIONAL in Spanish 27 Apr 87 p 20] 2909

PEASANTS OCCUPY NATIONAL CONGRESS--Yesterday, nearly 100 peasants occupied the premises of the Congress, demanding that the government turn over to them thousands of tareas of land which, they claim, belongs to them in Montecristi. The farm workers traveled from Ruta de Rita locality, and gave notice that they would not leave the site until the government allocated plots to them. They charged that the authorities from the Dominican Agrarian Institute (IAD) had robbed the peasants of the plots that they were cultivating, and had given them to persons dissociated from the community. Those occupying the congressional premises carried mattresses and pillows, repeating that they would remain in the building's inner corridors until their demands were met. The farmers joined some 100 workers laid off from the Hotel Santo Domingo who had occupied the halls of Congress weeks ago, demanding a solution to the dispute. Nevertheless, the former employees of the hotel facility left the building at noon today, after having reached an agreement with the hotel management last night.

The occupiers of the congressional building claimed that the properties that they are demanding of IAD belonged to their fathers and grandfathers. They declared that the heads of the agrarian agency had turned over plots on the site to individuals residing in Santo Domingo. One old peasant man commented: "We won't leave here until they return our land to us." He explained that another 45 farm workers will join the group which occupied the Congress premises yesterday. The Hotel Santo Domingo workers yielded part of the hall to the new occupiers, and shared food supplies. Last night, no authority from the Dominican Agrarian Institute or the Congress had talked with the peasants occupying the legislative building. [Text] [Santo Domingo EL NACIONAL in Spanish 29 Apr 87 p 13] 2909

CITIZENS SUE FORMER FUNCTIONARIES--Today, a group of relatives of the victims of the tragic incidents of Apr' 1984 brought a judicial suit against the former president, Salvador Jorge Blanco, and a group of former civilian and military officials whom they blame for the deaths of over 100 persons. Close to noon, the suit was filed with the prosecutor of the National District, Dr Prim Pujals, on behalf of the Committee of Relatives of Those Killed and Missing in the April 1984 Massacre. The group, established as a civil party, brought the suit against Jorge Blanco; Manuel Antonio Cuervo Gomez, former Armed Forces secretary; the former major general, Jose Felix Hermida Gonzalez, the former police chief; Hatuey Decamps, former secretary of the presidency; and Jose Francisco Pena Gomez, former district auditor. It was also brought against Dr Americo Espinal Hued, former attorney general of the republic; Emmanuel Esquea Guerrero, former legal consultant to the executive branch; Jose de los Santos, former trade union advisor to the government; and Fulgencio Espinal, former administrator of the national lottery. In addition, the group of relatives of the April 1984 victims sued high-ranking Army and police officials who were serving as chiefs of the secret service and special operations departments of the police; as well as the former chief of the Army's Mountain Hunters Battalion at the time of its existence. The names of the officials who had been serving as chiefs of those departments were not mentioned. [Text] [Santo Domingo EL NACIONAL in Spanish 24 Apr 87 p 30] 2909

PENA GOMEZ TO TESTIFY--The president of the Dominican Revolutionary Party (PRD), Dr Jose Francisco Pena Gomez, will visit the attorney general of the republic today to be questioned regarding the incidents of April 1984, which caused scores of deaths in this capital. Dr Ramon Gonzalez Hardy announced that Pena Gomez had requested of him that he be heard in his office. However, Gonzalez Hardy refrained from disclosing where Pena Gomez would go. Nevertheless, Pena Gomez sent EL CARIBE a copy of the letter that he sent to the attorney general, Gonzalez Hardy, with Drs Hugo Tolentino Dipp and Milagros Ortiz Bosch. In the letter, Pena Gomez told the attorney general of the republic that he was shocked to have been brought before the justice system for the incidents of 23, 24, and 25 April 1984. The former National District auditor claimed to be faced with "a manipulation associated with certain political interests. It has been a shock to me that they are attempting to involve me as the one to blame for that tragedy." In the letter Pena Gomez asked Gonzalez Hardy to summon him as soon as possible, "so as to prove to the justice system and to the national public the assertions that I have made in this letter." [Excerpt] [Santo Domingo EL CARIBE in Spanish 29 Apr 87 p 8-C] 2909

CSO: 3248/315

PAN DEBATES ADVISABILITY OF ACCEPTING GOVERNMENT SUBSIDY

Loss of Moral Authority Feared

Mexico City LA NACION in Spanish 15 Apr 87 pp 24-25

[Article by Carlos Castillo Pereza; first three paragraphs are introduction]

[Text] The Interregional Forum on the Prerogatives of Parties and Democracy was held in Merida on 28 and 29 March. In attendance was Luis H. Alvarez, the party's national president, who on the 29th had a breakfast meeting with the participating state leaders from Yucatan, Chiapas, Tabasco, Campeche and Quintana Roo. He also closed the meeting. Separately, Luis H. Alvarez paid an encouraging visit to Jose Domingo Caamal, who is still unjustly in prison charged with a crime that he could never have committed.

The position paper on democracy argues that we should expand and extend our concept of democracy so that it applies not only to politics, although this is an essential aspect, but to economic and social questions as well. The meeting also approved taking more vigorous action, as part of peaceful resistance, to defend social and political rights more effectively.

We are publishing Carlos Castillo Pereza's paper on the prerogatives of the parties, money in particular; the text that the forum issued on this subject and Luis H. Alvarez's message.

**The Prerogatives of Political Parties: Should PAN [National Action Party] Receive Money from the State?**

The National Action Party must decide whether to accept the public funds that the Mexican Government makes available to political parties as public interest entities under the law, to perform the task with which its bylaws entrust it. This is a decision of far-reaching importance that cannot be made lightly and that calls for in-depth thought on the consequences that it could bring the party, which at present is the vanguard of the opposition in Mexico. Given this position, it is clear that the consequences of the decision for the party will also affect the Mexican people, who see PAN as a reliable, consistent party with moral authority, a party that they perceive as their representative, as their voice, as the political option that is most in keeping with grassroots sentiments.

It is not preposterous to assume that the offer of public funds is not just an act of generosity by the regime. Unlike the political groups that are improperly called parties, that the government itself subsidizes and that serve the government in all instances, unlike the parties that do not see the relationship between the means and the end as a problem, PAN, owing to its principles, its behavior and the kind of people who belong to it, is a party that mere discussion of the issue could put to the test and even splinter. Thus, we must first be aware that "operation prerogatives" could be a trap that the regime itself is setting to weaken PAN and, at the same time, strengthen the other groups and parties. Forgetting this could be more dangerous than the decision itself.

The first thing that must be said is that this is not a choice between absolute good and evil. To pose the choice in such terms would be tantamount to unleashing within PAN a sort of religious war in which those who opt for one of the possible solutions would be seen as morally wicked and those who choose the other would be seen as "the good." The act of accepting public funding is not morally evil in itself. First of all, because it does not mean receiving the money of others or ill-gotten money (it is the people's money), and because the use of these funds is for the good of the people. There are those who contend that the money would be better spent on material projects for the people. Nevertheless, it bears noting that the task of politically educating and organizing the people is not just advantageous but in the long run could yield much more stable and just benefits than those that a regime like the one that we are suffering under could currently promote. And although material goods may be more urgent at the moment, sociocultural values are more important in and of themselves and in the medium and long term produce material effects of higher quality. I should also add that the funds can be managed in exemplary fashion, which would show that the people's money can be put to a different use than the Mexican system puts it to.

Consequently, the discussion concerns useful goods, in other words, to what extent public funds would help PAN better perform its task as a political party that puts ethics before politics and society before the State. I think that when the issue is posed thus, given how serious the matter is, the decision ought to be properly made by a qualified party organ, such as the National Council or the council's Standing Committee, because a collective and democratically made decision on such a matter will guarantee un hurried, in-depth reflection, permit discussion and take into consideration the sentiments of the party as a whole. The National Council took up the issue once before in 1979 and asserted insightfully that this is not an issue of absolute morals. This is well put, because it prevents debate from tearing the party asunder and thus benefiting the adversary of us all, which is the system, that is to say, the gelatinous mix of State-government-ruling party whose death throes are as visible as its ineffectiveness, opposition to democracy and corruption.

#### The Problem

I think that Mexico's most serious problem at present is the State's gradual invasion of society and its degeneration into a phenomenon of sheer force

devoid of moral authority and credibility. As Luis Alvarez so aptly put it in the speech that he delivered to the National Council to ask its members to elect him party president, what has happened in Mexico is that instead of private virtues having moved into public life, public vices have begun to eat away at private life. The problem is both political and moral.

It is a secret to no one that the State (and I use the term here to describe the hybrid monster of State-government-ruling party) has been gradually absorbing society. Little by little, the intermediate associations, which are the unions, the professional groups, the various chambers, the parents associations, etc, have been incorporated into the system. Society has grown weaker, and we can say that at present a citizen is virtually alone vis-a-vis the State. We need only look at the behavior of many, too many social organizations, to confirm this regrettable state of affairs, which leaves the State without a counterbalance and the holders of power unpunished and without restraints on their abuses.

At the same time, and perhaps because of this phenomenon, the government has become a sort of compulsory payment window and has acquired a monopoly on power to a truly irrational degree. The obstinate opposition to democracy and the scientific refinement of electoral fraud and of repression are manifestations of this fact. So are corruption and inefficiency. The upshot is that the State no longer has moral authority and that society is inordinately weak vis-a-vis the State.

It is hence not difficult to conclude that the task of a political party at present cannot be limited to vying electorally for power; it must be broadened. The task is much more difficult and much lengthier. It entails rebuilding society, building a moral authority vis-a-vis the State, creating a pole that can attract all people and all groups who want to be a society, not a State. To this end, PAN is in a privileged position. Its 47 years of struggle and its exemplary record make it reliable, have turned it into a moral authority. The party's strength is that the people trust it. Its strength lies in its moral authority. In contrast, the regime's weakness lies in its lack of moral authority, in the fact that almost no one believes it anymore, in that it can no longer even disappoint, because by now it is unable to raise any hopes. In places like Yucatan even businessmen, almost all of whom, at least the so-called "top echelon," are wont to be docilely "appreciative" and interested partners, are not hesitating to take their money out of the country. In other states some have made the decision to wage the political battle without fear or complexes. In both cases they do not trust the regime. And we need not mention those who are the main victims of the misgovernment.

From this perspective we must ask ourselves whether accepting public funds will help to strengthen society or instead promote the growth of State power.

#### Opinion

I think that accepting public funds would, on the one hand, diminish PAN's moral authority and, in so doing, lessen its ability to rally and lead society. In other words, it would take away from PAN something that it has

won and that represents its very strength. Furthermore, PAN's acceptance of funding would lend the regime at least some of the moral authority that it lacks. It can be argued that the official propaganda machine would portray the acceptance as a recognition of the legitimacy of an all too illegitimate State or else that the same machine would portray the rejection of the funds as proof that PAN receives money from the outside or from hidden hands. Both are likely, but no matter what it does, if we do not accept the funds, its reaction will not be credible, whereas if we do accept them, it will be more credible. And there is no reason for us to do the regime that sort of favor.

If the party's task is to strengthen society as a moral authority vis-a-vis a State that is increasingly becoming a power without moral authority, to accept public funds seems to me to run the risk of losing some of our strength and, hence, to diminish our potential to be the creators of society. My conclusion is that it does not behoove us to accept because we have more to lose than to gain.

I realize that this opinion may not be correct for this time and circumstance and that I myself in a different situation (a political opening, even if minimal) would think differently. In fact, I have. In any event, as a member of the National Council I will take part in the debate in the body that will make the decision. I will listen attentively to the arguments of those who do not think as I do and if they are sufficiently sound, I am prepared to reconsider my view. But if the counterarguments are based solely on the need for funds, I will vote nay. In any case, as I am convinced that the debate will be among people of good will who will not go to the council to seek their own glory or any economic privilege whatsoever but rather what is best for the party and for Mexico, I declare here and now that I will accept whatever that democratic assembly decides.

#### Opposition of Southeastern State Leaders

Mexico City LA NACION in Spanish 15 Apr 87 p 26

[Text] Gathered here in this city, we the state directors of the National Action Party from the states of Chiapas, Tabasco, Campeche, Quintana Roo and Yucatan have analyzed the circumstances under which the new electoral law has been enacted, the prerogatives that it grants to the political parties and the advisability of PAN accepting the public funds that the Mexican State makes available to them. Our deliberations were presided over by Mr Luis H. Alvarez, the PAN national president, and transpired in what we wish to emphasize was an earnest, respectful climate. We are now submitting their results to the National Council for its consideration, because the council is the body that the party's bylaws empower to make the decision that will be binding on us all and that we pledge in advance, as a vote of confidence in the council, to abide by and uphold.

## Considerations

The various speakers at the forum feel that:

- 1) The new electoral law is deficient as such, in that it legalizes procedures of electoral fraud and leaves the government in control of the electoral process, which ought to be in the hands of the parties.
- 2) The regime is using the new law and the possibility of making public funds available to the parties as a trap the purpose of which is to divide the opposition and, in particular, PAN, which is the most important political force in the country.
- 3) Acceptance of the public funds is not, in and of itself, immoral, to the extent that it means accepting a tool for political parties to achieve their ends. The regime's intention is very likely to use these funds to foster in these parties a certain degree of corruption. It certainly seeks to make the parties financially dependent on the regime, so that it can bend them to its will. Nevertheless, such funds would give PAN the opportunity to better accomplish its task of public service and would enable it to demonstrate that public monies can be managed honestly by reporting scrupulously on their use.
- 4) The National Action Party must make an effort to maintain its independence from the regime.
- 5) Mexico's problem is that civilian society is being invaded by the State, which is understood here to mean the mix of State, government and ruling party, and that the State has deteriorated to the point that it is now just sheer force. We must now undertake efforts to strengthen society vis-a-vis the State, this being tantamount to the building of a moral and intellectual authority. Owing to its record, PAN today has the ability to rally people to achieve this and also enjoys moral authority; it is credible. The proof is the vote totals that have been acknowledged for PAN in spite of the techniques of electoral fraud that have been used to flout the will of the people.
- 6) PAN's strength is its moral authority, which would be lessened if we accepted the public funds. Moreover, PAN would in a way be legitimizing the strong-arm regime if it accepted the funds.

## Prevailing Opinion

In view of the above considerations, the majority of the state directors present leaned towards rejecting the public funds. In agreement on this were the representatives of the Regional Committees of Chiapas, Tabasco, Quintana Roo and the National Delegation of Yucatan. The representatives of the State Steering Committee of Campeche and one from Quintana Roo came out in favor of accepting the funds. All agreed, however, that the momentous decision that awaits the National Council in this regard must not become a divisive factor in the party, that the National Councilmen have the confidence of PAN's members and directors and that in making their decision, they will act in a disinterested and honest manner for the good of Mexico and PAN.

They also agreed that no matter what decision the council makes, it will be used by the regime and its spokesmen to foster splits in PAN. They thus pledged to abide by the democratic decision in a spirit of good will and concord that means defending the party against the regime's designs.

The participants agreed to submit this summary of the meeting and the written position papers that were presented there to the party president so that all of the opinions voiced at it can help shape the judgment of the National Councilmen who will make the final decision.

#### Alvarez Urges Democratic Discussion

Mexico City LA NACION in Spanish!5 Apr 87 pp 26-27

[Message from PAN President Luis H. Alvarez]

[Text] Dear Friends:

It is a great pleasure for me to be back in Merida on the occasion of this interregional meeting. The fact that we are in Yucatan, a state in which PAN has achieved a significant social and political presence, and the fact that we are with the PAN directors from the southeast are of great significance to me. In the first case, because it was here in this city that PAN, thanks to the city government of the extraordinary Victor Manuel Correa Racho, demonstrated in a state capital that democracy is not the luxury of wealthy communities. Merida was governed excellently. PAN thus strengthened its status as a party that can govern and its moral and political authority throughout the country.

In the second case, the presence of Chiapas, whose capital has also been in excellent PAN hands, of Campeche, Quintana Roo, Oaxaca and Tabasco makes this an important meeting. As you very well know, the meeting is one of the many that we decided to hold and that we are holding to consult the entire party and thus develop our campaign platform for the 1988 federal election. Moreover, we will be discussing here an issue of far-reaching importance for the entire party: the advisability of accepting or of refusing the prerogatives that the current electoral law grants to political parties.

This momentous decision will have to be made after the views of PAN members are heard. Once various forums have made their decision, it will be up to the party's statutory organs to make the final decision. In this case as in so many others, it is democratic standards that prevail in PAN, and it is up to the National Executive Committee only to coordinate the deliberations and to organize the party events in which a decision will be made after they think through and ponder all of the opinions that have been gathered together and discussed.

It may seem odd to a superficial observer that in this country, which has been so distorted by the government's centralism and opposition to democracy, a National Committee does not engage in what the perverse opponents of democracy call "giving the line." Here the party establishes the line through its statutory organs. The National Committee listens and complies, like any other party body.

It bears noting, however, that so far we have found a variety of opinions, and rightly so. Thus, we want to present here as complete an analysis as possible of the arguments for and against on this delicate issue, and we are prepared, moreover, to listen to and ponder the viewpoints of the southeast. We are thus living and practicing democracy.

As has been clear since the birth of the party, democracy is not born of unanimous agreement among minds but of a community of wills. Of good wills, I must add, because they are the wills of men and women who want the best for Mexico and who, to make headway in achieving justice, freedom and democracy, agree to live by the party's principles and abide by its internal norms. PAN is a party in which the desire for power or profit produces no response, is not well received and finds no fertile ground. Nor is the party a platform for opportunists who seek to satisfy personal vanities. It is a tool of those who, rather than think about their rights, are determined to fulfill their duties and allow themselves to demand the former only to the extent that they fulfill the latter.

To struggle for democracy the party has chosen the path of respect for the law, for the dignity of the human person and for the common good. There are those who think, when we speak of radical action, that PAN is going to become a criminal and irresponsible herald and promoter of violence. This is not so. PAN is an institution that demands that its members be consistent, and herein lies its radical nature. There is no place here for a worker who does not work, an employer who haggles with his employees over a just wage, a wealthy person who forgets the social function of property, a man who prefers his glory or his personal interest to the good of Mexico. To go to the root of the woes besetting our nation is to appeal to the conscience of the Mexican people. And I think, as Mr Efrain Gonzalez Luna pointed out in a brilliant article, that the worst accomplices to the destruction of Mexican consciences, "rather than the murderers and torturers of bodies, more than the hordes ensconced in privileged positions to satisfy desires for power or material comfort, are those who are called by vocation or profession to serve the spirit and who betray it and surrender to factious ill will, to insolent, lucrative power: the opportunistic intellectual, the hack writer, the journalist whose code and gospel have a price, the teacher who is more concerned about his job than teaching, the judge who is first a "revolutionary" and then a doer of justice, the professional moneymaker who could serve as a guide in the urgent effort of national salvation but who is concerned solely with preserving his comfort and his profits. These are the real enemies of truth" and of a conscience of solidarity and democracy. And the fortress of truth, Gonzalez Luna adds, tends to fall not because of the onslaughts of its enemies but because of the cowardice of its defenders.

Therefore, here in Yucatan we reiterate our appeal to the civic conscience, and we add that a citizen who is the victim of injustice, as are the Chemax political prisoners, does more for the good of the country than the untroubled businessman or the accommodating professional who remains silent, supports and flees, if not flatters, kneels and shares the spoils. May all of our solidarity go out to these prisoners, and may our cry for freedom, our public demand for justice from the authorities be heard. We have decided to confront

injustice with the spirit of the peace lovers, which is not the spirit of the passive, but the spirit of those who, true to their conscience, civically resist unjust authority.

It is up to you, as PAN leaders, friends from the southeast, to continue the effort without flagging. The idea of democracy continues to grow ever stronger. Let us continue living it, let us continue promoting it, let us continue demanding it. Let us do so out of loyalty to the essence and to the roots of PAN, out of solidarity with the people of Mexico. Let us delve deeper into our being and let us reflect on the practical consequences of our principles. Let us renew our outlook. Let us reaffirm our principles. Let us promote the forms of democracy and solidarity that the times and the homeland demand.

Merida, 29 March 1987

Acceptance Urged by Chihuahua Leader

Mexico City LA NACION in Spanish 15 Apr 87 pp 28-29

[Memorandum from the party president in Chihuahua, Guillermo Prieto Lujan, to members of the State Committee and municipal leaders]

[Text] Deciding Calmly and Objectively

The financial prerogatives that the new Federal Electoral Code grants to political parties have been the object of long and impassioned discussion in the party's history and have given rise, I sincerely believe, to confusion between a legitimate and appropriate opportunity and immutable ethical principles.

We party leaders have very often made the mistake of not expressing our views frankly, for fear that others will think that we are trying to impose them. Nothing could be further from the truth. No one has more of a duty and more of a right than a party president to explain to party activists why he thinks as he does about major issues. What he is not entitled to do, and I of course am not so endeavoring, is to try to impose his view. But he does have a right to make it known.

1. The legal origin of the prerogatives. Until the appearance of the new Electoral Code, many of whose provisions are fundamentally unjust, the prerogatives that the Federal Government granted to political parties were left practically in the hands of the interior secretary through the technical secretary of the Federal Electoral Commission, there being no general guideline for the specific application of the prerogatives. The new code resolves this problem by providing that money will be given to political parties in accordance with two criteria: the number of votes that the party received in the immediately preceding federal election, and the number of direct as well as proportional deputies that each party elected. The potential rigging of the vote aside, this system clearly does not tie the party to a direct decision by the responsible election official. Moreover,

the system is used in every democratic country in the world, especially the consideration of total votes in the election.

2. Government Money? One of the arguments against our accepting the prerogatives is that we would be accepting dirty money from the government. This is untrue. Neither the Mexican Government nor any other government in the world has money. The money is the people's, in the form of taxes. We are only getting back what is ours, to use in defense of the rights of the Mexican people and to attain power.

3. It would corrupt us. The large amount of money that the party would receive over the three years during which it is to be distributed, an estimated 4.2 billion pesos, would, it is said, lead to a high degree of internal corruption, in two ways:

- a) Directly, through the misuse that could be made of such a sizable amount.
- b) Indirectly, because even if it were spent honestly, full-time posts would proliferate and an ill-advised bureaucracy would be created inside the party.

The argument in the first case is not just flimsy; it is preposterous and highly dangerous, because the people could very rightly ask: If PAN is afraid of being corrupted by 4 billion pesos, what right does it have to be a political choice to run the federal government, where it would be managing 80 trillion pesos or more? This argument would disqualify us as a choice at the polls?

The second argument, the creation of full-time posts, would depend on how and when, but the undeniable fact is that if we want to grow, with strength, order, organization and planning, we must stop pretending that volunteers alone can do our political work. No democratic party in the world does it this way. A cursory investigation would reveal the extensive payrolls of highly skilled specialists in the various branches of political activity that are pursued by well-organized political parties that grow, triumph and govern.

4. Public opinion would turn against us. We have always rejected the governmental subsidy, and hence public opinion would turn against us. There are two forms of prerogatives: in kind and in money. We have been afraid to accept money, but we have accepted the prerogatives in kind, which are the same as money. Specifically, time on radio and TV, telegraph and postal franking, tax exemptions for the raffles that the party holds, and the offer of about 200 million pesos a year in newsprint for LA NACION, other publications and party publicity. I see no difference between accepting prerogatives and accepting the money directly. Has the party lost its independence from the government and its aggressiveness by accepting these prerogatives, which are ultimately the people's money? On the contrary, the party has been more aggressive, more combative than ever in recent years (Newsprint is no longer in the Electoral Code as a party prerogative).

As far as public opinion is concerned, I think that if we duly explain the reasons for our acceptance, if we create an effective, clear-cut internal watchdog mechanism, if we hire, probably, outside auditors, there will be no

major problem here. It is also claimed that our expenditures would be subject to government approval. Untrue. We will simply have to prove that we spent the money for what we said we did. That is all. The party will always decide how to spend it.

5. We would no longer get help. The people who now aid us to a greater or lesser degree would stop doing so. I think not. In fact, when I have spoken with people who have always helped us, they have told me how urgent it is to accept the funding because of the increasing difficulty of raising money through raffles, donations, etc. We would continue to raise such funds, but we would have a base that would enable us to calmly plan priority, fundamental activities.

Moreover, contrary to what some say, this would give the party's decision-making bodies independence, not always but often, from those who in giving money propose or seek to impose courses of conduct or priorities. In addition, it would avert the real danger that only very wealthy people can be candidates owing to the enormous cost of running a campaign in this day and age.

I ask you, esteemed colleagues, to reflect on this and not turn what in my judgment is a question of opportunity and advisability into a matter of principle.

If we do not feel that we have the moral strength to manage money that the people, not the government, place in our hands, let us renounce serious political activity whose aim is to take power so that we can change Mexico.

I ask you to reflect on all this and to decide objectively and calmly. The National Council will be meeting on 25 April to make a final decision.

#### Participation in Corrupt System Seen

Mexico City LA NACION in Spanish 15 Apr 87 pp 30-31

[Article by Pablo Retes Gonzalez Cos]

[Text] The problem that arises once again with the possibility of accepting financing (read, a subsidy) from the government is not a problem that we can exhaust by simply deciding whether it is a good idea or not or by seeing it as merely a procedural matter or a political tactic. a matter of strategy some would say. The issue cannot be reduced to these terms; rather, it goes beyond appearances and superficialities and is closely tied to an underlying issue, an issue of principles, in short, an issue of consistency and moral rectitude. Hence, the analysis is tricky, and the consequences far-reaching.

Let us analyze this problem in the light of our philosophical principles. Our actions have been based on two underlying principles. I am talking about freedom and human dignity.

Freedom, understood to mean man's ability to act responsibly in accordance with the dictates of his conscience through mastery of his actions, is the hub

at which the other principles converge, from which they arise and in which they are enriched. Therefore, owing to its far-reaching significance and hierarchy, it is irreplaceable. Freedom is an unequivocal sign of maturity, of independence. It means not being subject to the principles or recourses of others that would jeopardize one's autonomy or condition one's behavior. He who calls for freedom must be able to meet its demands, acting for himself and by himself. To be truly free means to be free morally, ideologically, politically and economically. We cannot dispense with any of them without considerably curtailing our freedom.

Dignity is another principle that PAN has always placed great store by. To have dignity presupposes having standing, hierarchy, respect for oneself. And if we indeed have high regard for ourselves as a party, we would violate this principle if we accepted money from a government that says to us, because there is no other interpretation, "since over a period of 48 years you have been too inept, disorganized and inefficient to finance yourselves, we are going to solve some of your problems by giving you this money." All they would have to do then is lend us politicians, because they have already called us reactionaries, mossbacks, traitors, die-hards, and the bearers of obsolete ideologies, among other things. Isn't this, I ask, the greatest insult that they can hurl at us? Where is our dignity as a party that we so often proclaim? Have we no shame?

The treasury, understood to mean money and its inflow into the State's coffers, has its own specific function, which is to be used as a means of achieving the nation's harmonious development, always to serve and always in keeping with the common good. We can thus gather that when treasury funds are allocated to subsidize political parties (whether they are in power or not), money is being diverted, thus defeating its purpose. Furthermore, this is an insult to a nation like ours, which has been severely buffeted by the crisis and which pays taxes for other purposes in the hope that they will help dampen the effects of the crisis.

In this regard, the principles of our philosophy tell us the following: "Single-party systems...politically and economically sustained by the government are antidemocratic..." and they add: "Therefore, the existence of a ruling party is unacceptable, a party that maintains itself in Mexico through privileges and with the unequivocal features of administrative (read, economic) dependence to assure its continued hold on power."

PAN's position could not be clearer, nor could its rejection of the offer in question be more categorical. We can thus see that acceptance of the subsidy is not a question of form; it is an issue of substance, of principles, of integrity, of moral rectitude and of consistency.

It would be inconsistent for a party like ours, which has always upheld and rested on principles such as freedom and human dignity, to now compromise its freedom and lose its dignity and all decorum over a crust of bread. Inconsistency is a grave ill besetting mankind; it bespeaks a lack of integrity, prompts mistrust and causes estrangement.

It has always been our party, PAN, that has pointed an accusing finger at a government that is mortgaging the homeland, thus endangering national sovereignty and freedom. We have been the ones who have firmly rejected the populist policy of subsidies. And now we are the ones who, obviously contradicting ourselves, are endeavoring to reverse gears in the defense of principles that we have upheld and been able to defend with pride and extraordinary valor.

Another implication of accepting the financing is that we would be legitimizing a system that holds power unlawfully, backed by force and unlimited authority. Moreover, we would be giving them more tools with which to pressure us and bend us to their will.

All of these are measures sought by a spurious government to lend a veneer of legitimacy to its plundering, political fraud, abuse of power with impunity, to generate discontent in our midst and internal divisions, to confuse public opinion, to turn us into appendages of the government and to erase our image as an independent party.

Moreover, accepting the subsidy would be tantamount to tacitly accepting and legitimizing the Federal Electoral Code, which the party rejected in its entirety and emphatically described as antidemocratic. The bad faith with which it was drafted can be seen in its ill-intentioned withdrawal of our newsprint allotment, because they knew in advance, or assumed, that we would not accept the subsidy, and oddly enough the only thing they took away from us is what we have accepted all along. This confirms the clearly deceitful intent of the group in power to harm us.

How can we hope to become radical if we sit down at the bargaining table to compromise with the oppressor tyrant. Intransigence must be our trademark. Enough is enough. We are tired of being the victims of an arrogant, domineering government. Let us not convey an impression of cowardice under the guise of prudence. Our strength depends on the conviction with which we tackle our problems. Intransigence is a sign of radicalization, of independence, of strength, of consistency and of an unshakable will.

Now as never before PAN must be confident of itself, of its capacity as a party, of the soundness of its principles, of the will of its members, of the support of the Mexican people.

This is not the approach of a reactionary who lives in the past; it is the approach of someone who needs to conduct an introspective, critical analysis to thus understand what has prevented us from developing harmoniously. I will say in conclusion that we must meet the needs of a growing party like ours. Sufficient funding is a must, but let us leave aside subsidies and financing such as that. Let us sit down and chart a new internal organization, overhaul our finances, diversify and seek new sources of financing. Let us collect dues in an organized and systematic manner from our activists and sympathizers. Let us go after larger donations. Let us continue the raffles. Let us conduct a nationwide drive for funds. Let us charge for credentials, stationery, etc, (no matter how ridiculous it seems). We should emphasize how important it is to diversify our sources of financing, inasmuch as we would

thus be guaranteeing our economic independence, because in the event of a conflict or an attempt to influence our actions as a party, we could dispense with such financing without risk, since other options would always be available.

The party has won the respect and trust of the Mexican people with its impeccable, transparent comportment. It has been the people who through their support have kept the flame of hope burning, who have accompanied us on our pilgrimage to democracy. Let us look to the people, not elsewhere, for the strength and the support that we need.

Let ours be a party in which freedom and dignity stand behind our actions.

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CSO: 3248/280

NETWORKS OF POTENTIAL PRI PRESIDENTIAL CANDIDATES DESCRIBED

Mexico City PROCESO in Spanish No 525, 24 Nov 86 pp 6, 8-11

[Article by Elias Chaves]

[Text] The majority of politicians and, of course, technocrats are undergoing an accelerated metamorphosis. They are changing tones of voice, behavior and sides to fit in with the groups that are working for this or that presidential hopeful.

Of the approximately 5,000 PRI members who are actively involved in politics and who make up the so-called "political establishment" (deputies, senators, major mayors, governors, cabinet secretaries, undersecretaries and top-level officials), experts estimate that half are grouped in two bands: those of Manuel Bartlett and Carlos Salinas. The remaining 50 percent are distributed among Alfredo del Mazo, Miguel Gonzalez Aveiar, Ramon Aguirre and other potential presidential candidates.

But to safeguard their personal future, none are openly expressing their political sympathies. Waiting until the unveiling of the candidate is a rule of the system. Then they will all convert to the same creed, just as they all rallied behind Diaz Ordaz, Echeverria, Lopez-Portillo and De la Madrid in their day.

For the time being, and until the great 6-year conversion arrives, groups and subgroups are consolidating, and alliances are being made and unmade. One of the groups began to form when Manuel Bartlett became secretary general of PRI during Miguel de la Madrid's presidential campaign.

The present core of politicians who are proselytizing for Bartlett began to take shape around him 5 years. Prominent among them is Enrique Fernandez Martinez, the current national leader of the CNOP [National Confederation of Popular Organizations].

An experienced politician who can think for himself, Enrique Fernandez made his presence felt in the ouster of several PRI delegates in the states, delegates who bore the trademark of the man who until the campaign started had been the party's leader: Javier Garcia Paniagua.

In the thick of the campaign, in early 1982, Enrique Fernandez influenced the assessment of the aspirants for deputy and senator in the 52nd Congress of the Union. Working with him on the assessment were Jesus Davila Narro, who eventually became undersecretary of the interior; Juan Maldonado, whom Bartlett helped to become PRI president in the Federal District (DF); then Senator Oscar Bailon, a frustrated Baja California gubernatorial hopeful, and Mario Vargas Saldana, another experienced politician who was later named secretary general of the national PRI organization and is currently the general delegate in Puebla.

#### Under Bartlett's Spell

All of them, along with Fernando Elias Calles, made up the central task force at the outset, when Bartlett was appointed PRI secretary general. Once in the post, Bartlett drew up the lists of aspiring deputies and senators. After screening the lists, he was the one who made the pacts and conducted the negotiations with the people who were to be rewarded with the nomination. And the lucky winners who lacked a solid sponsor by Miguel de la Madrid's side felt that it was thanks to Bartlett or Bartlett's friends that they had secured their seats.

The group thus expanded and consolidated. Enrique Fernandez won a deputy's seat and was named, first, secretary of the Grand Commission of the Chamber and later, leader of the CNOP. Juan Maldonado left his post as PRI president in the capital to take over as secretary general of government of the DDF [Federal District Department]. Fernando Elias Calles rose to undersecretary of the interior. The cabinet was revamped 3 years into the 6-year term, and Bartlett and his friends were once again involved in deciding the makeup of the current legislature.

The following friends or sympathizers of the interior secretary are prominent among current deputies: Pindaro Uriostegui, Guillermo Fonseca Alvarez, Juan Maldonado, Amin Zarur Menez, Victor Liceaga (who asked for a leave of absence to run for governor of Baja California Sur), Miguel Osorio Marban, Jaime Aguilar Alvarez, Jose Encarnacion Alfaro, Juan Antonio Araujo, Jose Berber Sanchez, Francisco Berlin Valenzuela, Ofelia Casillas, Juan Jose Castillo Mota, Wilbert Chi Gongora, Dante Delgado and even some non-PRI members, like Carlos Cantu Rosas, a leader of PARM [Authentic Party of the Mexican Revolution], who has no doubts that his party revived thanks to Bartlett's intervention.

Others are Reyes Rodolfo Flores, the PRI delegate in Veracruz who is close to Mario Vargas Saldana and Enrique Fernandez; Osvaldo Garcia Criollo, who is linked to Bartlett's wing through his lifetime boss, Pedro Vazquez Colmenares, the current head of the Directorate of National Security; Edmundo Gonzalez Llaca, a brother-in-law of the CNOP leader; Manuel Gurria Ordóñez, a companion of Bartlett's who is virtually from the same town and a prominent member of the Hank Gonzalez clan; Victor Hugo Islas, a leader of the popular organizations sector in Puebla; Manuel Jimenez Guzman, a leader of the masons and son of Manuel Jimenez Sampedro, who was the chief clerk of the DDF and linked to the Hank Gonzalez wing; David Jimenez, a very close confidant of the governor of Morelos, Lauro Ortega, whose aides when he was PRI leader were

Bartlett, Juan Maldonado and Enrique Fernandez, who he says were then his little chicks but now rule the roost). Incidentally, Lauro Ortega is telling the people around him that he already has a candidate to succeed him as governor: Eduardo Pesqueira, the agriculture secretary.

One of those whose affections are divided is Guillermo Fonseca Alvarez, the president of the chamber this month and former governor of San Luis Potosi. The CNOP Organizational Secretariat nominated him 18 months ago to be the head of the chamber, a decision that fell to Eliseo Mendoza Berrueto. If he is a very close friend of Enrique Fernandez, he is also very tight with Gustavo Carvajal, who as PRI leader made him president of the party in the DF, director of IEPES [Institute for Political, Economic and Social Studies] and later undersecretary of the agrarian reform. Thus, Fonseca's affection is divided: between Bartlett, through Enrique Fernandez, and Alfredo del Mazo, through a close friend of his, Carvajal.

One could say that Enrique Fernandez has been the major force in getting the CNOP behind Bartlett. He has made his loyal followers feel that Bartlett is the president who will be able to help them in their immediate future. He sponsored Victor Liceaga Ruibal, who was coordinator of CNOP state federations, for a federal deputy's seat and then for governor of Baja California Sur. He made Mariano Pina Olaya organizational secretary, whence he ran for governor of Puebla. He appointed Genaro Borrego interior secretary, got him the chief clerk's post in PRI and, with the backing of Emilio Gamboa and Bartlett, made him governor of Zacatecas. He helped Irma Cue, who was in charge of CNOP legislative affairs, become secretary general of PRI. He made Renato Sales Gasque chief clerk of the CNOP, from which post he became district attorney of the DF, although the original idea was to support him for governor of Campeche, but Fidel Velazquez stepped in, and the CTM [Confederation of Mexican Workers] won the nomination with Abelardo Carrillo.

Countless other colleagues and friends of Enrique Fernandez have become public officials, for example, Leopoldino Ortiz Santos, another member of the CNOP committee. When he did not win the nomination for governor of San Luis Potosi, he settled for a seat on the nation's Supreme Court. And there are many other general PRI delegates in the states or state-level party leaders.

In addition to Irma Cue, the following identify with the Bartlett wing on the PRI National Executive Committee:

Fausto Villagomez, the secretary of Electoral Action and the heir of the "alchemy" [alquimia] that Luis del Toro Calero made famous. Villagomez was an Interior Secretariat official from the time of Mario Moya Palencia. There he developed close ties with Heriberto Batres, the current director of government. Thus, Villagomez and Batres have both enriched their longstanding relationship through their respective jobs.

Humberto Hernandez Haddad, a senator, PRI's secretary of international affairs and a native of Tabasco with longtime ties to Bartlett, although he also talks about his good relations with Carlos Salinas and the man who was his boss in the Senate, Miguel Gonzalez Avelar.

Another PRI leader, Manuel "El Meme" Garza Gonzalez, an adjunct secretary general, is emerging as one of the leaders of the wing that supports Alfredo del Mazo. Their relationship began when the now head of the SEMIP [Secretariat of Mines, Energy and Parastatal Industry] was running for governor of the state of Mexico and El Meme was the PRI general delegate there.

Antonio Murrieta, the secretary of athletic action, is linked to Carlos Salinas, who during Miguel de la Madrid's campaign made him underdirector of IEPES. Nevertheless, Murrieta has also been a friend and colleague of Jorge de la Vega ever since the latter was in the Secretariat of Commerce.

And Jesus Salazar Toledano, "El Destapador" [the unveiler], the PRI leader in the DF, a very close friend of Ramon Aguirre, whom he strangely enough did not mention among those of presidential timber.

During the first few months of the coming year, PROCESO was told, PRI will call its national assembly. It is taken for granted that, in addition to reelecting Jorge de la Vega as party president, PRI will remove many of its current leaders, including some of the people mentioned above. Furthermore, the assembly will authorize the drafting of the customary basic government program that the party will present to its future presidential candidate.

#### Del Mazo's Sympathizers

Meanwhile, the political metamorphosis accelerates. Fidel Velazquez, the leader of the CTM, is pretending to be a question mark, but everyone knows of the affection he feels for Alfredo del Mazo. He gave an indication of it when he supported his appointment as founding director of the Banco Obrero. And theoretically, if Velazquez is behind Del Mazo, the other labor leaders will be too: Leonardo Rodriguez Alcaine, Napoleon Gomez Sada, Joaquin (La Quina) Hernandez Galicia, Blas Chumacero, the head of the workers delegation, and practically all of the deputies and senators from the labor sector.

As far as the peasant sector is concerned, its leader, Hector Hugo Olivares Ventura, was a big supporter of Adolfo Lugo Verduzco. And although he will now have to decide in what direction to head, we cannot forget that Hector Hugo is the son of Enrique Olivares Santana, a former interior secretary, and that Augusto Gomez Villanueva was his political mentor: he was his chief clerk in the Agrarian Reform Secretariat.

As for congressional leaders, Antonio Riva Palacio is linked to Miguel Gonzalez Avelar, his former boss as secretary of the Grand Commission of the Senate. No one doubts that Riva Palacio is the leader of the Senate thanks to the good offices of the current education secretary.

Eliseo Mendoza Berrueto, for his part, had ties with Adolfo Lugo Verduzco. He is now telling the people close to him that his goal ought to be the governorship of Coahuila. The candidate will be unveiled there this April or May. We will find out then whether Mendoza Berrueto stays on as leader of the Chamber of Deputies. A similar approach is being taken by one of the

secretaries on the Grand Commission, Nicolas Reynes from Tabasco, who has his sights set on the governor's chair there. His major concern is to guess right, because the succession in Tabasco will be decided after there is already a presidential candidate.

After losing the nomination for governor of Guerrero, the other secretary of the Grand Commission of the Chamber of Deputies, Jorge Montufar, is waiting for the possibility of winning the big prize, because if Eliseo Mendoza heads off to Coahuila, he may take over as leader of the Senate.

A year and a half ago it was said that Salvador Robles Quintero could become the leader of the chamber. He had to settle for head of the peasant delegation, because his longtime friendship with his buddy Miguel Gonzalez Avelar held him back. If he had been named chairman of the Grand Commission, Gonzalez Avelar would have had two of his friends (the other is Antonio Riva Palacio) as leaders of Congress.

Among the senators who are identified with the Bartlett wing are Manuel Ramos Gurrión, the PRI delegate to the Federal Electoral Commission, which is chaired by the interior secretary; Celso Humberto Delgado from Nayarit, who has had ties with Bartlett through Moya Palencia from the days when he was president of the Confederation of Young Mexicans; and Salvador Neme from Tabasco, a secretary of the Grand Commission of the Senate, although his relations with Gonzalez Avelar are also well known.

The two senators from Puebla, Alfonso Zegbe and Angel Aceves Saucedo, are special cases. The former is said to be betting heavily that the governor of his state, Guillermo Jimenez Morales, will secure some sort of position in Mexico City. His friendship with Gustavo Carvajal is well known and, through it, he could align himself with Alfredo del Mazo. Angel Aceves, in turn, is backing everyone and no one. He says that as an economist he respects and admires Carlos Salinas but also respects and admires Bartlett because he, Aceves, is a politician, and he recently began writing about industrial reconversion, which is one of Alfredo del Mazo's banners.

The visible leader of the group backing Carlos Salinas is the man in charge of SEDUE [Secretariat of Urban Development and Ecology], Manuel Camacho, and prominent alongside him is Patricio Chirinos, a former federal deputy, former private secretary of Rodolfo Echeverria Ruiz and the current director of delegations of the Programing Secretariat.

They are joined by the governor of Sonora, Rodolfo Felix Valdez, who has a longstanding relationship with the Salinas family; Francisco Ruiz Massieu, Salinas' former brother-in-law and now a candidate for governor of Guerrero, and the following deputies:

Donaldo Colosio, who besides having been an important official in the Programing Secretariat (SPP), now chairs the Budget and Public Account Committee; Fernando Ortiz Arana, the president of the Official Auditing Department; Socrates Rizzo, who has direct ties to Salinas and who before becoming a federal deputy was also a major official in the SPP; Javier Garduno, the chairman of the Commerce Committee, who was a leader of the

League of Revolutionary Economists with the consent and support of Salinas and of his former boss Jesus Silva Herzog; Blanca Esponda from Chiapas, who has links to Salinas through the man who used to be director of the Mexican Institute of Foreign Trade, where she worked, Senator Raul Salinas Lozano, the father of the programing secretary; Marcela Gonzalez Salas, who before becoming a deputy was chief clerk at the SPP; and Javier Lobo, the head of a business group in Nuevo Leon and also linked to Senator Raul Salinas.

A strong and serious friendship has developed over the past 5 years (1 campaigning and 4 in the administration) between Carlos Salinas and Emilio Gamboa, the private secretary of the president of the republic. But Bartlett and Ramon Aguirre have also made it a point to strengthen their friendship with this official, in whom Miguel de la Madrid has complete trust. Mexican politicians do not forget that Guillermo Carrillo Arena, the architect who was said to be a multimillionaire but incompetent, became a cabinet secretary without any qualifications whatsoever, but that Emilio Gamboa was his personal secretary when he was chief of projects at the IMSS [Mexican Social Security Institute]. Nor do they fail to observe that Genaro Borrego became governor of Zacatecas and that Gamboa was his assistant secretary when Borrego was the private secretary of Ricardo Garcia Sainz in Patrimony and in Programing and Budget.

They also say that Sergio Valls, Maria Emilia Farias, Fernando Ulibarri, Ernesto Luque Feregrino, Gamboa's brother-in-law, and several others secured deputy's seats with the help of Miguel de la Madrid's personal secretary.

Del Mazo's army is smaller than those of Bartlett and Salinas, because he has been a cabinet secretary and a potential presidential candidate for just 6 months. In the legislative area, 80 percent of the delegation representing the state of Mexico could be said to owe their seats to Del Mazo's support. The exceptions would be Luis Orci, who made it to the chamber with Silva Herzog as a sponsor; Ricardo Regalado, who was backed by the CNOP, and Jose Encarnacion Alfaro, Agustin Lenero and Jorge Diaz de Leon, who won their seats in the state of Mexico because there was no room for them in their own states.

Many think that Del Mazo is the obvious choice, the man to beat. They cite the current intense political activity of his friends, among them Alejandro Carrillo Castro, the director of ISSSTE [Institute of Social Security and Services for Government Workers] and president of the Consulting Board of PRI's IEPES, and Gustavo Carvajal, whose presence was a surprise at the meeting organized by IEPES itself in Queretaro to challenge the "democratic current" headed by Porfirio Munoz Ledo and Cuauhtemoc Cardenas.

For the time being, Del Mazo is clearly on the rise, and it has been announced that he will accompany President Miguel de la Madrid on his trip to Japan and China.

#### Gonzalez Avelar and His Team

In addition to Antonio Riva Palacio and Salvador Robles Quintero, those working for Miguel Gonzalez Avelar include his brother Victor, a former federal deputy who is proselytizing among all those who will let him. He has

a significant presence as secretary general of the National Federation of Attorneys in Service to the State, which is headed by the director of the National Lottery, Jesus Rodriguez y Rodriguez.

Among the governors who have a liking for Gonzalez Avelar could be mentioned Jose Ramirez Gamero in Durango, a former senator who remains grateful to his former boss. He could, however, lean towards Del Mazo if his current boss, Fidel Velazquez, orders him to. Although they are not his avowed partisans, others who used to sit in the Senate are also sympathetic to him, including Mariano Palacios Alcocer, the governor of Queretaro; Heladio Ramirez, the governor-elect of Oaxaca, and Americo Villarreal, a candidate for governor of Tamaulipas.

The presence of Julio Camelo in the General Directorate of Delegations of the Education Secretariat is interesting. The former personal secretary of then Attorney General Oscar Flores Sanchez, a former federal deputy and a former mayor of Monterrey, Camelo is a very close friend of Robles Quintero and is the pivot man on the team that is seeking to make Gonzalez Avelar president.

Another of the alleged presidential hopefuls, Ramon Aguirre, heads his own team. Among the deputies behind him are mentioned Gilberto Nieves Jenkins, the chairman of the Legislative Commission of the Federal District, and Adrian Mora, the leader of the capital city delegation.

#### And What About Petricioli?

Perhaps because no one has mentioned Gustavo Petricioli as presidential timber, his appearance had the smallest audience of the three that have been made as of last week. Worse still, many deputies left the hall and put their aides in their seats to conceal their absence. Even the leader of PRI, Jorge de la Vega, set up the chamber's infirmary as an office and locked himself up there to discuss matters with Deputy Graciano Bortoni, the PRI delegate in Michoacan and former government secretary under Alfonso Martinez Dominguez in Nuevo Leon.

And while several deputies expressed astonishment in the vestibule at how painter Octavio Ocampo had transfigured Plato and Aristotle into Christ, Gustavo Petricioli, one of the men whom Miguel de la Madrid most respects and admires, was holding forth at the lectern.

A little more than 16 years ago, on 13 August 1970, the secretary of finance, Antonio Ortiz Mena, was dismissed from his post. Many of the then officials whom he had promoted and who saw him as their mentor, were left unprotected.

Miguel de la Madrid was one of the people who had to leave the Finance Secretariat when the master fell. And it was then that Gustavo Petricioli revealed himself as a fine negotiator.

It was Petricioli who negotiated for and secured the top spot in the Inter-American Development Bank for Antonio Ortiz Mena.

Meanwhile, Miguel de la Madrid had taken refuge in the Pemex assistant finance department. One day, De la Madrid, Petricioli and some mutual friends met at a restaurant. There, distressed at having left the Finance Secretariat, the man who is now president voiced his sorrow.

"Don't worry," Petricioli consoled him. I promise you that you'll be back in Finance soon."

And he was. De la Madrid returned to the Finance Secretariat and since then has said that Petricioli is Mexico's number one negotiator. Furthermore, if Alfredo del Mazo is the younger brother that he never had, Petricioli is the older brother that he needed.

Of all the members of the presidential cabinet, Petricioli is the only one who has attended the four baptisms of Miguel de la Madrid's children and the only one who is invited to the first family's private parties. Petricioli has always been the man whom Miguel de la Madrid has turned to for advice.

Those who have known them for years say that Petricioli is De la Madrid's oldest friend, that Gonzalez Avelar is a longtime but not intimate friend and that Del Mazo is an intimate, but not longtime friend.

Miguel de la Madrid owes Petricioli many favors. It was no accident that he appointed him finance secretary. He did it out of friendship, yes, but also because he felt that the country needed him. And Petricioli, they say, is the only one who would stick up for De la Madrid after he left office. He is like an older brother. The others could betray him to save themselves. But Petricioli would always protect him, even at his own cost.

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PARAGUAY

PRESIDENT STROESSNER MEETS WITH VISITING ARGENTINE OFFICIAL

Asuncion EL DIARIO in Spanish 31 Mar 87 p 12

[Text] The chiefs of state of Paraguay and Argentina, Alfredo Stroessner and Raul Alfonsin, respectively, could meet on the occasion of the upcoming inauguration of the Encarnacion-Posadas international bridge, according to Dr Enrique Nosiglia, presidential adviser of the neighboring nation, who is visiting our country.

Nosiglia was given an audience yesterday morning by Army Gen Alfredo Stroessner, president of the republic. The Argentine politician arrived in our capital last Sunday.

After the audience which took place in the seat of government, "Coty" Nosiglia, one of President Alfonsin's confidants, told the press that during his meeting he delivered the best wishes of the Argentine president and expressed his own pleasure at being in our country.

Subsequently, Alfonsin's adviser described Paraguayan-Argentine relations as fraternal, to underscore the fact that his visit was in response to a special invitation extended by Dr Conrado Pappalardo Zaldivar, chief of protocol of the Argentine state.

Next he commented on the bridge under construction over the Parana River, which physically already links Encarnacion with Posadas but which still requires some finishing touches.

A Complete Change In The UCR?

According to an important government source, the rapprochement "that was lacking" between the government parties of our country and Argentina appears to be what Enrique Nosiglia was carrying in his suitcase, as he is the strongman who sits behind Alfonsin's chair.

A review of the principal duties of the short-time visitor gives an idea of the possible variety of the commentary: Nosiglia is chairman of the coordinating committee of the Radical Civic Union, in turn, chairman of the UCR for the Federal Capital and head of President Alfonsin's council of advisers. A clear indicator that he is one of the president's men is the fact he has his office in the Casa Rosada itself, almost adjacent to Alfonsin's.

The party-to-party rapprochement which was lacking was commented upon by the official source. He said that such rapprochement was necessary, for example, because government-to-government relations are close, the proof of which is the fluidity they provide to the export of perishable goods to the southern neighbor, among other things, a problem in the past which generated periodic headaches.

Later our source said that this visit means a total revision of the UCR's policy toward the Government of Paraguay and in particular toward the National Republican Association (Colorado Party).

The man close to the Palacio de Lopez concluded his "inside information" by saying this is a good sign, inasmuch as Nosiglia was present in the Foreign Ministry when the agreement was signed providing for the electrical hookup between Paraguay and several Argentine border provinces.

When asked whether the inauguration of the above-mentioned bridge--despite the fact that no date has yet been set--would not result in a meeting between the presidents of Paraguay and Argentina, Nosiglia answered, "Without a doubt they will meet. It is going to be a very happy event for our countries because it will be a bridge which directly links the two nations. And, of course, the presidents are the representatives of their countries. At present, we have two living democracies and, naturally, the presidents represent that fraternity between the countries. I feel that, naturally, during the inauguration the circumstances will be propitious for them to meet one another."

With regard to the meeting he had with President Stroessner, our visitor said, "I have to admit that he was very pleasant and generous" (referring to the chief of state). Later he said, "This meeting was in no way scheduled, but I had the great pleasure of meeting the president of the republic, who was very kind to receive me."

Nosiglia will return to Argentina today.

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## EXPORT FIGURES PUBLISHED

Asuncion HOY in Spanish 3 Apr 87 p 11

[Text] Fifty percent of Paraguayan exports during the first quarter of the year were made to regional countries in the Latin American Integration Association (ALADI). The principal buyers of our country's export products are Brazil, the Netherlands, and Argentina. The principal export categories from January through March were soybeans, timber, and cotton fiber, according to information supplied by the Directorate General of Customs.

The principal buyers of Paraguayan products during the first quarter of the year were Brazil, the Netherlands, and Argentina, to cite those countries which occupy the first three positions. This statement is made in a report issued by the Directorate General of Customs, which shows a significant upturn in our country's export invoices in March.

As regards the destination of domestic products measured in terms of worth, there is total balance between exports to countries in the region of the Latin American Integration Association (ALADI) and the so-called general area, according to the Custom's report. The report states that 50 percent of Paraguayan merchandise was sent to the general area and the other 50 percent was sent to countries in the ALADI region. These percentages are in reference to total exports up to 31 March.

"The principal buyers, in terms of importance, from an overall standpoint, were: Brazil, 31.5 percent of total exports; the Netherlands, 15.1 percent; Argentina, 8 percent; Switzerland, 7.4 percent; Belgium, 4.5 percent; Panama, 4.3 percent; France, 3.5 percent; Chile, 3.5 percent; Italy, with 3.2 percent; and Peru, 3.2 percent."

### The Figures

Brazil purchased Paraguayan products worth \$17.2 million from January through March; it was followed by the Netherlands which bought Paraguayan goods worth \$8.2 million. For its part, Argentina purchased merchandise worth \$4.3 million. The other countries with the largest volumes of purchases from our country were: Switzerland which bought goods worth \$4 million; Belgium purchased \$2.4 million worth of goods; and Panama to which we exported \$2.3 million worth of merchandise.

To countries in the ALADI region, exports worth \$27.2 million were made in the first quarter of the year, while export invoices to countries in the general area totaled \$27.3 million. The South American countries with the least amount of purchases during the period studied were Bolivia, which bought \$8.178 million worth of goods and Venezuela which purchased merchandise worth \$18.25 million, according to the records of the Directorate General of Customs.

"The principal export products in terms of worth were: soybeans, 32.4 percent of the total figure; timber, 14.1 percent; cotton fiber, 13.8 percent; live-stock products, 10.9 percent; tobacco, 6.4 percent; tung oil, 2.3 percent; soy-bean pellets, 5.8 percent; and hearts of palm, 1.7 percent."

In March, exports experienced a strong upturn which produced an export-invoice figure of \$27.8 million, compared to the \$11.4 million in February and the \$15.3 million last January. Thanks to this, in the first quarter we had an increase of 147 percent in exports compared to the same period in 1986.

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## BRIEFS

PERONIST LEADER ON STROESSNER--"We Peronists who are nationalists do not meddle in foreign policy, but it is those out there who stick their noses into our business. But we must defend President Stroessner, who is the only barrier we have to stop communism in Latin America, and we must not allow ourselves to be enslaved by the communication media." That statement was made by Herminio Iglesias, national deputy for the Peronist Party, as he praised President Stroessner during a ceremony held on 22 March 1987 at the "General Patricio Escobar" Colorado central headquarters of Buenos Aires Province. In addition to Iglesias, during the ceremony support was expressed by Peronist Deputy Alberto Medina and by a committee representing the 17 October National Movement. Also present on that occasion was the Paraguayan ambassador, Dr Miguel Angel Bestard. During the day, Luis Anselmo Vega, secretary of the center, said that the central headquarters have been constructed to face up to "the foul lies and outrages perpetrated by the anarchists, the turncoats disguised as Colorados, and the Marxist communist dirty tricks." Finally, he emphasized that the "General Patricio Escobar" center is a national treasure of the Government Junta "and will continue to move forward with the consent of the high authorities, come what may, with absolute loyalty to the sole leader of all Paraguayans, Gen Alfredo Stroessner, the Government Junta, and its president, Dr Juan Ramon Chaves." [Text] [Asuncion HOY in Spanish 8 Apr 87 p 8] 8143/12859

RELATIONS WITH ARGENTINA VIEWED--Government sources have described as "legitimately valid" and of "real significance" the favorable comments made about our country by Dr Enrique Nosiglia, principal adviser to Argentine President Raul Alfonsin, and Dr Ricardo Barrios Arrechea, governor of Misiones Province. Both men, who have done outstanding work in the political and government sectors of the neighbor nation, were in our country at the beginning of this week, heading a large delegation and taking the opportunity to meet with the nation's top officials. Government sources have stated that of the various interpretations which have been placed on these so-called visits the one that is really worthwhile is Nosiglia's way of looking at things. He said, for example, "We have two living democracies," meaning Argentina and Paraguay. Our sources recalled that Alfonsin's confidant also spoke of the upcoming meeting of the chiefs of state of our two countries, on the occasion of the inauguration of the Encarnacion-Posadas Bridge. Emphasis was also placed on Nosiglia's reference to Stroessner and Alfonsin, about whom he said, "They represent that fraternity between the countries." The comment made by Barrios Arrechea to the effect that "at the present time we are again beginning to see the possibility of uniting our two countries," was also given special attention by the government sources. The governor-emissary also made the following statement during his stay in Asuncion: "President Alfonsin's wishes are evident. What is more, I

have no doubt about those of President Stroessner. Therefore, through these steps of physical integration we have been taking, such as the electrical hook-up and economic integration through Yacreta, we are going to become increasingly united." "We are going to feel much closer than at present," Barrios Arrechea, emphasized for his part. Finally, our sources said, "This recent visit by Argentine dignitaries cannot fail to produce great happiness and pleasure. They have given us sufficient testimonials of the fraternal feeling between our countries." [Text] [Asuncion EL DIARIO in Spanish 1 Apr 87 p 13] 8143/12859

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